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11 June 1984

# Latin America Report



FOREIGN BROADCAST INFORMATION SERVICE

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11 June 1984

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## ECUADOREAN FOREIGN MINISTER ON NEED FOR ALADI'S REACTIVATION

Quito EL COMERCIO in Spanish 27 Apr 84 p A-7

[Text] Ecuador wants its voice to be sincere, precise and definite, stated Foreign Minister Valencia Rodriguez in his speech at the Second Meeting of the Council of Ministers of the Latin American Integration Association (ALADI). "Our peoples," he added, "are tired of hearing repeated declarations or proposals that are never carried out. It is not possible to continue along this route. ALADI," he emphasized, "is now on the horns of a dilemma: either it persists in this policy, as with other processes, and perishes irrevocably, or it rejuvenates itself and ignites anew the light of hope. Ecuador," stated the chief of the Ecuadorean diplomatic corps, "is ready to help ensure the effective implementation of the measures agreed upon in the past and future. In this way, our peoples will be able to regain confidence in the integration organizations that we have established."

Minister Valencia Rodriguez, according to the General Information Office of the Ministry of Foreign Relations, was designated first vice-president of the Second Meeting of the ALADI Council of Ministers by acclamation. The foreign minister of Uruguay was named president.

Valencia discussed the difficult economic situation in the region and the responsibilities that are incumbent on the Association in the process of economic recovery, to be true to what the people expect of it. "The Quito Plan of Action," recalled the top Ecuadorean diplomat, "set forth ALADI's responsibilities in this recovery process."

It has been said that the tasks assigned to this organization or the recommendations made to it are three-fold: those that it must undertake immediately and directly; those for which ALADI shares responsibility with other agencies; and those which are assigned indirectly. "For now," indicated Valencia Rodriguez, "I would like to stress the financial cooperation mechanisms of the Latin American Free Trade Association (LAFTA) and the negotiations for the establishment of a regional tariff registry. The agenda of this meeting includes these items and others of special importance to the future of ALADI; and Ecuador hopes that on this occasion fundamental decisions will be made regarding these issues, as well as the expansion of reciprocal trade among member states and measures to support the relatively lesser developed countries," said Valencia Rodriguez.

Later on, Foreign Minister Valencia Rodriguez spoke of the contrast between the political will expressed on many occasions and in many forums by the chiefs of state, and the meager accomplishments in terms of recovery as well as the harmonious and unified development of our peoples. "To cite just one recent example," Valencia Rodriguez went on, "I would like to mention the statement by the Bolivarian presidents: 'For us, the Fatherland is America.' In that document, the chiefs of state of Bolivia, Colombia, Ecuador, Peru and Venezuela reiterated their firm support for the Andean integration process and their determined will to overcome their difficulties in a spirit of solidarity . . . "What has been done to put these proposals into effect?" asked the Ecuadorean minister. "It is with a sense of frustration that we are forced to recognize that the situation has worsened, and for that reason our people are now calling into question the entire process of integration, not only in terms of its viability but its very survival," stated Valencia Rodriguez.

The integration process requires sacrifices, stated Valencia Rodriguez. He added, "Ecuador wants to stress its awareness that making our desire for integration a reality means imposing temporary sacrifices on our countries, which will nevertheless establish in the long run solid and firm foundations for our development."

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ECUADOREAN-VENEZUELAN TRADE DISAGREEMENT REPORTED

Ecuador to File Suit

Guayaquil EL UNIVERSO in Spanish 9 May 84 p 1

[Text] Minister of Industries and Trade Jose Augusto Bermeo confirmed that the national government will file suit against the Venezuelan Government in the Andean Court of Justice for failing to comply with agreements signed under the Subregional Andean Pact. He explained that the Venezuelan Government has not officially responded to Ecuador's claims.

Reorganization of Pact

Minister Bermeo, commenting on Colombia's and Peru's pronouncements on the Pact system, stated that the former are basically proposals that aim at a reorientation of the subregional instrument, not seeking its destruction or elimination but rather the setting of a new course so that integration may continue and be maintained among the signatories. As for Venezuela, he said that this is nothing new, since the private sector in that country has always opposed the integrationist process, considering it something negative.

Preferential Treatment

He explained that Ecuador's position is quite clear: It has presented its demands and proposals to the Agreement Commission, basically concerning the preferential treatment accorded Bolivia and Ecuador, adhering to the principles of respect for the flow of trade and commitments that have been made in that regard.

He said that there is no ignoring the fact that the international economic and financial crisis has affected the Andean Pact, insofar as the flow of trade influenced the initial drafting of the Integration Instrument. Great political support has been given to integration, however, since this is the only real way for these countries to emerge from underdevelopment.

Finally, Bermeo claimed to "have absolutely no knowledge" of what the new administration may have planned or may do with respect to the Andean Pact.



## No Iron Price Hike

The possibility of authorizing an increase in the price of iron has been totally rejected, because the problem of that product does not lie in prices, declared Minister of Industries and Trade Augusto Bermeo.

### Venezuelan Minister on Trade

Quito EL COMERCIO in Spanish 27 Apr 84 p A-1

[Text] Caracas, 25 April--Venezuelan Development Minister Hector Hurtado stated today in Caracas that "it is completely untrue that Venezuela plans to break off trade relations with Ecuador."

Reports circulating recently on difficulties in the commercial ties between the two countries had created a climate of unease in political-economic circles in both nations.

Mutual accusations of failure to comply with agreements under the Andean Subregional Pact by erecting tariff barriers and hindering trade in various products, helped reinforce the atmosphere of tension.

Hector Hurtado denied, however, that this friction is enough to cause a confrontation between the economies of the two nations, and announced that the economic cabinet of the Venezuelan Government in its session today had approved concrete measures to renew ties.

The minister stated that specific formulas had been agreed upon to resume imports of certain categories from Ecuador, and he added that plans for enabling Venezuelan products to be exported to Ecuador were also studied.

Economic sources revealed that among the items Venezuela will allow to be imported from Ecuador are certain kinds of chocolate, plumbing materials, lumber, plywood and canned foods, while it will try to export urea, lamp-black, aluminum byproducts, and some chemicals.

### Disagreement Continues

Quito EL COMERCIO in Spanish 11 May 84 p A-1

[Text] FEDEXPOR [expansion unknown] indicated that the country's export sector has been seriously harmed by the restrictions imposed by Venezuela. The spokesman explained that the problems are particularly acute in the area of wood byproducts, fish preserves and other products assigned to Ecuador under the Andean Pact.

Venezuelan Foreign Minister Isidro Morales, speaking in Caracas, claimed that "it is truly unfortunate" that the Ecuadorean minister of integration has repeatedly tried to take action in the Andean Court of Justice for alleged violations of the Cartagena Agreement by Venezuela, according to the Ansa Agency.

Morales Paul indicated that in the Andean Subregional Pact it is very common for all countries to fail to meet their obligations.

"Subregional trade has been reduced considerably by subregional problems of a general nature, as well as the international economic situation and internal problems in each of the countries. Their economies have been forced to cut back and protectionist policies have been necessary," stated the foreign minister.

Ecuador has also pursued a protectionist policy. "I can give you a few details: On 12/31/83, Ecuador banned the importation of 1,183 items, having subjected 446 items to prior licencing requirements," said the Venezuelan minister.

He reported that at the same time Ecuador began requiring a statistical registration prior to the importation of any good from a country of the Andean subregion, which amounts to an administrative restriction in practice.

Minister Morales Paul, according to Ansa, stated: "By this we mean that the logical solution would be to establish some rules of the game within the Andean Pact that would be more in keeping with the new economic realities that face us; mutual accusations should be avoided, because they lead to no positive result."

"By law, he who does not comply cannot demand compliance," said Morales Paul. "For Ecuador to demand compliance, it must comply first. Thus, its legal action would lead to nothing positive."

Meanwhile, FEDEXPOR revealed that the problems are primarily in the area of wood byproducts, fish preserves and other products assigned to our country within the Andean market. The FEDEXPOR representative pointed out that the Ecuadorean Government should pursue all possible avenues, including the Andean Court of Justice, to reach a solution to the problems that have arisen with Venezuela and other Andean Pact partners in order to boost trade in the subregion. He indicated that the measures adopted by governments of the Andean area are aggravating further the economic crisis that is plaguing our countries, and that the governments and businessmen of the Andean nations must understand that the reactivation of their economies and the solution to the problems that affect and concern us can be obtained only to the extent that the solidarity and cooperation called for in the Cartagena Agreement are forthcoming.

He also stated that it is imperative that the government recognize once again the general tax contribution for Ecuadorian industrial goods, maritime products and other goods that need such compensation in order to be more competitive on the foreign market.

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## SURVEY SHOWS WORKERS PREFER UBALDINI TO TRIACA

Buenos Aires MERCADO in Spanish 19 Apr 84 pp 27-34

[Text] Saul Ubaldini and Jorge Triaca, headline celebrities these days, seem to have some confused supporters backing them, judging by their statements in the media. A recent study confirmed that 83 percent of white- and blue-collar workers did not know which union leader deserved more confidence. This "don't know" answer indicates disinterest because of a lack of identification with the institution. The reason for this feeling of not belonging may be disagreement with the current union leaders and, at the same time, a belief that one's personal vote can do nothing to change the course of events.

A study published by the magazine MERCADO and analyzed by A&C a short time ago revealed that 67 percent of those polled are in favor of mandatory voting in the unions. It would appear that the public is thus urging the government to break the inertia by forcing them to vote. What would have happened to the Argentine populace's education if primary school had not been made mandatory?

Two different samples of opinion were obtained: the population as a whole, on the one hand, and white- and blue-collar workers, on the other hand. The idea was to compare the results of both groups, assuming that Ubaldini and Triaca were not necessarily regarded the same by the two.

Table 1  
Blue- and White-Collar Workers

	Ubaldini (%)	Triaca (%)
Very trustworthy	14	7
Trustworthy	31	21
Not very trustworthy	22	21
Not trustworthy	11	20
Don't know	22	31
	<u>100</u>	<u>100</u>

As can be seen in Table 1, Ubaldini is more trustworthy than Triaca. Adding up the positive values on the one hand and the negative on the other, the former obtains 45 percent and the latter only 28 percent. Moreover, in Triaca's case the negative values outnumber the positive, 41 to 28 percent. Ubaldini, in contrast, has a higher positive than negative score: 45 percent

to 33 percent. But most surprising is the large number of "don't know" answers, especially in the sample of just white- and blue-collar workers. Although there were more "don't knows" for Triaca (31 percent), Ubaldini had a significant number as well (22 percent).

Table 2  
Responses by Sex  
(Blue- and White-Collar Workers)

	Men		Women	
	Ubaldini	Triaca	Ubaldini	Triaca
	%	%	%	%
Very trustworthy	19	8	6	5
Trustworthy	37	25	22	14
Not very trustworthy	19	22	26	20
Not trustworthy	10	22	14	17
Don't know	15	23	32	44
	100	100	100	100

Looking at the responses obtained according to the sex of those polled, one sees that women seem to have the least faith in the two union leaders. Fifty-six percent of the men support Ubaldini, while 28 percent of the women do. Thirty-three percent of the men back Triaca, and 19 percent of the women. The negative values among women outweigh the positive ones for both labor leaders in the women's responses: 40 and 37 percent as opposed to 28 and 19 percent, respectively.

Table 3  
Responses by Occupation  
(Blue- and White-Collar Workers)

	White-Collar		Skilled Workers		Unskilled Workers	
	Ubaldini	Triaca	Ubaldini	Triaca	Ubaldini	Triaca
	%	%	%	%	%	%
Very trustworthy	12	17	17	5	16	8
Trustworthy	25	20	41	25	35	19
Not very trustworthy	28	20	12	20	17	24
Not trustworthy	16	24	4	14	8	18
Don't know	19	29	26	36	24	31

If the occupation of the respondents is taken into consideration, Ubaldini appears to find his greatest support among skilled workers first, and then unskilled workers. White-collar workers follow at a distance. The positive values, summed up, yield the following results: 58, 51 and 37 percent, respectively.

Triaca, on the other hand, is not as highly favored by anyone. Although his support is distributed more evenly, he also obtained more votes among the skilled laborers, followed by white-collar and unskilled workers tying for second place (30 and 27 percent, respectively).

Positive ratings for Ubaldini by skilled and unskilled workers outnumbered the negative ones: 58 to 16 and 51 to 25 percent, respectively. It should be noted, however, that skilled workers give him the most support.

The high number of "don't knows" is noteworthy, nevertheless, even among skilled laborers: 26 percent of them and 24 percent of unskilled workers.

Ubaldini is not as highly regarded by white-collar workers, however. In this case, the negative ratings outnumber the positive by 44 to 37 percent. The "don't know" category drops in this case (19 percent), although it is still significant.

Triaca, though, had more negative than positive ratings in all three categories: 44 to 27 percent among white-collar workers; 34 to 30 among skilled workers; and 42 to 27 percent among unskilled workers. Skilled workers are divided evenly in terms of their preferences, which indicates that Triaca as well, although to a lesser extent, finds most of his support in this occupational group. The "don't know" percentage is high, however (36 percent), compared to the 31 percent of unskilled workers and 29 percent of white-collar workers in that category.

Table 4  
Responses by Level of Education  
(Blue- and White-Collar Workers)

	University		Secondary Grad.		Secondary Partial		Primary		None	
	Ubal.	Tria.	Ubal.	Tria.	Ubal.	Tria.	Ubal.	Tria.	Ub.	Tri.
	%		%		%		%		%	
Very trust.	17	8	6	9	20	3	14	7	31	8
Trust.	17	8	30	21	30	20	35	23	8	23
Not v. trust.	25	42	30	18	19	24	18	21	15	15
Not trust.	17	25	17	28	13	23	7	13	8	23
Don't know	<u>24</u>	<u>17</u>	<u>17</u>	<u>24</u>	<u>18</u>	<u>30</u>	<u>26</u>	<u>36</u>	<u>38</u>	<u>31</u>
	100	100	100	100	100	100	100	100	100	100

An analysis of responses according to the level of education of those polled reveals that among high school dropouts and those with just a primary education, Ubaldini finds his greatest support, with 50 and 49 percent positive ratings, respectively. University graduates (12 cases), high school graduates (102) and those with no education (13) seem to have little difference in terms of their support for Ubaldini; they yielded 34, 36 and 39 percent positive ratings, respectively.

The negative results outweigh the positive ones in the case of university and secondary school graduates: 42 to 34 percent and 47 to 36 percent, respectively. but the order is reversed when the analysis focuses on high school dropouts, and those with grade school or no education; the positive ratings then outnumber the negative ones: 50 to 32 percent, 49 to 25, and 39 to 23 percent, respectively.

The high number of "don't know" answers by those who should know the most about this subject once again draws the attention, given that they have been damaged the most socially. Thirty-eight percent of those with no education

say they don't know; 26 percent of those with a grade school education, 18 percent of those who did not finish high school, 17 percent of high school graduates, and 24 percent of college graduates give the same answer.

Triaca garners more negative than positive ratings among all segments: 67 to 16 percent, 46 to 30, 47 to 23, 34 to 30, and 38 to 31 percent, respectively. It should be noted that the differences between good and bad ratings decline as the level of education drops. Although the grade schoolers and those with no education register greater support, they also have a higher percentage of "don't knows," 36 and 31 percent, respectively. They are followed by high school dropouts, high school graduates, and finally the university-educated, with 30, 24 and 17 percent, respectively.

Table 5  
Responses from Overall Population

	Ubalдини	Triaca
	%	%
Very trustworthy	8	3
Trustworthy	25	18
Not very trustworthy	20	16
Not trustworthy	13	21
Don't know	<u>34</u>	<u>42</u>
	100	100

It is interesting to compare the results of the two groups studied, the population as a whole and white- and blue-collar workers in particular.

Although workers tend to favor Ubalдини more than the rest of the population, the difference is only 12 percent. The negative values are at the same level in both samples.

As for the "don't knows," the total population is also higher by 12 percent.

In the sample of the population at large, positive ratings for Triaca drop by only 7 percent, and negative ratings, curiously, are 4 percent higher in the special sample. There are more "don't knows" in this category as well, 8 percent more than in the special sample.

#### Difficult Union Democracy

The high percentage of "don't know" answers reveals a low degree of participation, without which it will be difficult to democratize the labor movement.

It is noteworthy that the greatest support for both Saul Ubalдини and Jorge Triaca, although with major differences, is found among skilled workers. A survey conducted by A&C and published in the magazine MERCADO indicated that those who most strongly favored social projects were skilled workers. A later study, not yet published, revealed the reasons why unskilled workers received fewer benefits from social projects: In the first place, because the poorest social projects have less to offer their members; and in the second place, because unskilled workers, even in the richest social projects, indicated that

the infighting within each social project prevented the least influential workers from gaining access to benefits.

If the members are categorized according to how many benefits they obtain, one could conclude that those receiving the least benefits are those who are least represented, as manifested in their "don't know" answers and their low level of support.

Esther Kaplan  
Public Opinion Director of A&C

#### Methodology Used

This study was conducted on the basis of two samples: one of 400 cases reflecting the population parameters indicated in the latest census, and the other of 400 cases consisting exclusively of white-collar workers and skilled and unskilled blue-collar workers, in the Federal Capital and Greater Buenos Aires.

The study was conducted by means of a guided questionnaire that was administered at randomly selected concentration points by specially trained A&C interviewers.

There was 100 percent supervision of the work. The questionnaires were reviewed thoroughly and then processed electronically, and the results are reflected in the tables in this article.

The margin of error for this sample is approximately 5 percent.

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## LABOR ELECTORAL LAW PROPOSAL HIGHLIGHTED

Buenos Aires LA NACION in Spanish 11 May 84 p 6

[Text] The proposed electoral regulations for the union normalization program have been made public and are being studied by the General Confederation of Labor (CGT) and the national government. According to labor spokesmen, they will receive the general support of the labor organization and will be promulgated shortly.

The draft regulatory decree of Law 22,105, passed by the military government, to which DYN has had access, was reportedly written by Presidential Delegate Hugo Barrionuevo and discussed during the recent meetings between the CGT leaders and Labor Minister Juan Manuel Casella.

The proposal calls for the application of the "electoral system contained in the bylaw provisions of each union," although it introduces the "national electoral justice controller" and "the establishment of regulatory boards to oversee the process with the participation of the representatives of the slates, such slates to be endorsed with a minimum of 5 percent of registered members in organizations of up to 5,000 members."

This percentage is reduced gradually as the number of members in the unions rises, with the largest ones required to have 250 signatures endorsing the slates, plus 3 percent of the number of registered members exceeding 5,000, up to a maximum of 15,000.

Article 2 of the draft that has been released states that "the current officers of each organization shall call the election and put in motion the electoral mechanisms," while Article 8 says that to be a candidate a person must have been an active member for 2 years, "continuous or interrupted."

#### Elections

The proposal also stipulates that the election must be publicized "not less than 45 days in advance," for which purpose the current officials of each organization shall issue a call to elections and put in motion the electoral mechanisms "in not more than 60 days" after the date when the decree becomes legal.



In case of an "unjustified failure" to issue the call to elections, Article 2 specifies that "the national Labor Ministry, through its Office of Professional Associations, shall do so instead of the union leaders, in compliance with bylaws provisions."

In addition, labor officials must "notify the local Electoral Justice Department of the call to elections," and that office shall "in a period no longer than 5 days, name one or more inspectors" who will oversee the elections and the normalization process until the elected officials take office, according to Article 4.

#### Lists and Candidates

In addition, the electoral registration lists must be displayed 30 days before the date of the election, with a copy being delivered to each representative of the slates.

With regard to the candidates, the regulations set forth in Article 8 that in addition to any "bylaws requirements, they shall be more than 18 years old and shall not have been convicted of crimes of fraud," and that in all cases, "the candidates shall be active workers."

Moreover, they must prove that they have been active in the union "for at least 2 years, continuous or interrupted; they must also certify that they have worked on the tasks relevant to their particular sector "for not less than 6 months prior" to the date of the call to elections. They must also show that they have been members of the organization for at least 2 years.

Article 8 goes on to stipulate that "members of executive committees shall be deemed to have participated in the relevant activity, either by virtue of having their terms extended, because they belong to temporary committees, or because they are in organizations subject to intervention."

It also states that "those who have been reinstated after having been expelled for political or union reasons, shall include in their seniority the time spent in forced inactivity."

#### Voters

Article 9, dealing with the voters, states that "all registered members shall have the right to vote," and the following article stipulates that voting is mandatory, "except in duly justified cases of force majeure."

If this obligation is not fulfilled, the member is subject to losing the right to use "vacation facilities, social services or benefits, and the use of union recreational facilities throughout the country" for 1 year.

Article 11 provides that candidates and representatives shall have "union leave" from the date "the lists are authenticated to the date of elections," while the inspectors may ask for leaves "during the election days."



## Polls and Counting

According to Article 12, the polls must be set up at the workplace, where votes will be cast during the shifts and schedules determined by the nature of the work corresponding to each sector.

The provisional vote count "shall be conducted in the same place as the voting, and the final count shall take place at the site designated by election authorities, preferably at the organization's central headquarters."

Later on, in Article 15, the regulations state that "if any election is challenged, a document shall be drawn up containing the reasons for such challenge so that the electoral board and the inspector may make a ruling on the matter, in writing, setting forth the grounds." The matter must be resolved within 48 hours.

## Security of Voters

The following article states that "any voter who feels that his immunity, freedom or security in voting has been threatened" shall request "on his own, through the representatives, or through third parties on his behalf, due protection from the electoral board or the inspector. He shall state his case in writing, if necessary, so that the proper resolution may be adopted immediately and any illegal or arbitrary restrictions may be stopped."

With regard to the electoral registration lists, Article 18 provides that the current union authorities undertake the necessary procedures and that one copy be delivered to the electoral board and one to the inspector "so that they can receive any challenges or pertinent observations on the part of the members and/or groups and/or slates that are presented."

## Challenges

Article 21 states that "the only challenges that will be processed shall be those regarding the slates or the candidates," and establishes a deadline of 5 days to present them "beginning at the final moment for filing them."

Challenges shall be presented with the corresponding evidence, and "the board and the inspector shall hold a proper hearing during which the challenged slate or candidate shall have the opportunity to present its case, and the board and the inspector shall determine whether to uphold or deny the challenge within 3 days. There shall be no appeal."

The penultimate article of the proposal states that "decisions adopted by the electoral board shall be appealable within 48 hours of notification, to the corresponding electoral judge."

That magistrate "shall decide, with no further substantiation and in a final decision, within 72 hours of the filing of the appeal."

8926

CSO: 3348/424

## CGT-GOVERNMENT RELATIONS REPORTEDLY IMPROVING

Buenos Aires LA NACION in Spanish 14 May 84 p 8

[Text] It is no secret that although it has not been long since Juan Manuel Casella took office as minister of labor, relations between the government and the Peronist labor leaders who make up the General Confederation of Labor (CGT) have improved notably.

Alberto Triaca, one of the four secretaries general of the CGT, did not hesitate to acknowledge that "not only are we surprised, but we are also taking heart at the fact that the Labor Ministry has regained the prominence that this ministry should have within the national cabinet."

After the first "official" meeting on Tuesday in Casella's office, the CGT leaders claimed to be encouraged by the new labor minister's apparent receptiveness to the problems expressed by the CGT. "Now a broad dialog can take place," commented Triaca. His colleagues at the CGT agree with him, unanimously praising the active stance taken by the official.

The rapprochement between the government and the CGT has led other labor sectors that took a wait-and-see attitude when the executive branch's union reorganization bill was voted down, to ask to see the labor minister as well.

Casella, cognizant of the issues that these groups close to the government have been presenting, met last Friday with the Commission of 20, which still goes by the name of CGT-Azopardo, and today he is scheduled to meet with the Union Liaison Board.

It is precisely this group that seemed to be most annoyed by the recuperation of government-CGT relations. The Union Liaison Board, which kept up an on-going dialog with former Labor Minister Antonio Mucci, accused the government of destabilizing with "the hike in rates and price deregulation" in a statement that demanded an urgent meeting with Casella, but "in an official place, not clandestinely as with the CGT," in an allusion to the meeting that took place in a church in Sarandi.

Beyond the political discussion involved in the union normalization, the labor sectors give top priority to the wage problem, which has unleashed an uncontrollable wave of sectorial conflicts.

As a result of this first meeting, and in an effort to reach a consensus on wage policy, the government and the labor organization will form short-term mixed technical commissions on the cost of living and statistics to determine the value of the family basket, and on the minimum wage needs of the population.

In other words, they will try to close the abysmal gap that lies between the current minimum wage, established recently by national authorities at 5,030 pesos, and the calculations and statistics compiled by the CGT, which bring that figure up to nearly 19,000 pesos.

The CGT leaders feel that these analyses should be complemented by the consultative technical commissions of each activity--"miniparitarios" established during Villaveiran's term--adjusting wage scales until collective bargaining agreements are reached.

On this matter, Triaca insisted that collective bargaining agreements are the ideal instrument for wage adjustments, although he acknowledged that "they cannot be reached overnight."

Along with its wage demands, the CGT is drawing up a proposal for the reactivation of the economy on the basis of public and private investment, the reorganization of the financial system, and support for the development of the agriculture and livestock sector. In drafting this proposal, the labor organization has incorporated elements compiled during its round of talks with the Argentine Industrial Union and the Argentine Rural Society--in its contacts with production entities--and political parties as well as the Church.

#### Union Normalization

Meanwhile, the government is making progress toward union normalization. Details of the proposal to regulate union elections have been revealed unofficially.

The features of this proposal have been initially accepted in general by the various sectors of the labor movement. For the present, CGT officials, speaking as individuals, recognize that the project drafted by the presidential delegate for union normalization, Hugo Barrionuevo, is "good," although they feel that some points should still be subject to study or discussion.

There are a lot of differences between the normalization proposal that was rejected and the one being formulated now. While under the previous initiative labor officials were responsible for calling elections, this proposal foresees the application of the electoral system included in the bylaws of each union, although it introduces the Electoral Justice controller and calls for the establishment of regulatory boards to oversee the process, with the participation of the representatives of the slates.

Allowing each organization to determine how elections are to be called in its own bylaws involves a certain recognition of present labor leaders, who have been severely challenged and accused of not representing the rank and file. What matters most to the CGT leaders is respect for the unions' structures and

bylaws, because in their opinion that legitimizes and streamlines the normalization process.

The CGT, like the other groups, has a copy of the union normalization proposal, and today it will begin studying it in order to provide a response to the presidential delegate. One of the points to be discussed by the labor organization relates to requirements for presenting slates. The initiative calls for each slate to be endorsed by 2 percent of the members' signatures, whereas the CGT understands that it should be 10 percent. Its leaders explain that lax requirements in this regard would encourage the presentation of slates that "do not help an election" because there must be a minimum of representativeness to begin with.

#### Complaints about Attitude

Meanwhile, Barrionuevo has complained about the CGT's attitude in refusing to meet with him, claiming that this "hinders" his efforts. He warned that if no agreement is reached on union normalization, the government will dictate electoral regulations by decree.

As for the CGT's reasons for not meeting with Barrionuevo, two versions are circulating among union sources. One is that the CGT leaders are trying to delay the encounter, and ultimately a definition of union normalization, because they want to wait to consult with Mrs Peron on this when she returns to the country. The other is that they want the meeting with Barrionuevo to take place outside the CGT headquarters, where the presidential delegate has his office. They feel that the building is theirs, and therefore they cannot go there as visitors.

8926

CSO: 3348/424

## PER CAPITA INCOME DECLINED 5.7 PERCENT IN 1983

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 May 84 p 26

[Text] Brazilian per capita income declined 5.7 percent last year, according to a recent report of the IMF delivered to Brazilian authorities. If the IMF forecast of a 2.4-percent decline this year is confirmed, the accumulated per capita income from January 1980 to December 1984 will have suffered a decline without precedent of 12.6 percent.

The negative result of 5.7 percent in 1983 is the largest decline in income in the recent economic history of the country. More than the explosion of inflation or the strangling effect of the balance of payments, the decline in per capita income is pointed out by economists as the worst result of the government in the economic area.

It is also well to remember that technicians say with certain irony that the person most guilty for this result is the author of the economic miracle, Minister Delfim Netto. In absolute terms, the Figueiredo administration should leave the country with the per capita income at the level of 1976.

Estimates by the Economic Commission for Latin America (ECLA) show that the unprecedented decline in economic activity and the population increase in Brazil in 1983 caused a decline in per capita income to \$844 at 1970 prices, compared to an income of \$958 recorded in 1980. Brazil, as the producer of one-third of the total domestic product of Latin America, contributed decisively toward reducing the per capita income in the region from \$1,077 in 1980 to \$911 last year.

The IMF does not hazard a forecast of the Gross Domestic Product for this year. However, the World Bank foresees a recovery of .8 percent compared to the 3.3 percent decline of last year. On the other hand, government sources view the statement made by Minister Mario Andreazza that Brazil will have a 7-percent growth in Gross Domestic Product in the first year of his possible government, as a very optimistic candidate's promise. The IPEA (Economic and Social Planning Institute) of the Secretariat of Planning estimates that a decline of 1 percent means 150,000 fewer jobs in Brazil.

# Gross Domestic Product (GDP)

	GDP at Current prices in millions of cruzeiros	Implicit Deflator in per- cent	Total	Population	GDP per capita
1980	13,104,285	94.7	7.9	119.1	5.3
1981(1)	26,832,943	108.7	-1.9	122.0	-4.3
1982(1)	53,150,747	95.4	1.4	125.1	-0.9
1983(2)	130,804,786	154.5	-3.3	128.2	-5.7
1984(2)	361,282,818	176.2	0.8	131.4	-2.4

Sources: Central Bank, IMF, IBRD

(1) Preliminary

(2) Projected

8908

CSO: 3342/104



## PASTORE PREDICTS INITIAL DECLINE IN FOREIGN DEBT IN 1987

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 May 84 p 31

[Text] The Brazilian foreign debt will begin to decline in 1987, when the country will eliminate the deficit in current accounts in its balance of payments, it was announced yesterday by Central Bank President Alfonso Celso Pastore in a deposition made yesterday before the CPI [Commission for Congressional Investigations] on the foreign debt in the Chamber of Deputies. "If the present trends in the trade balance continue and there are no surprises in international interest rates and the volume of world trade, the probability that Brazil will arrive at a zero deficit in its current transactions in 1987 is very high," said Pastore.

To avoid future recriminations, the president of the Central Bank pointed out that his forecast of a net decline in the foreign debt--possible because of the trade surplus which is higher than the deficit in the services accounts, including the amounts for interest--has a certain margin for error in view of the uncertainties on international interest rates and the tightening up of the markets of developed countries, including because of financing charges. Under present conditions, Pastore foresees the confirmation of a decline in the current accounts deficit from \$6.2 billion in 1983 to \$5.3 billion this year, with new reductions in 1985 and 1986, reaching a zero deficit in 1987.

Although with the reservation that "the scenario is not one of continuous increase," Pastore acknowledged that in the short term the present picture does not allow optimism with respect to the behavior of international interest rates in view of the reduction in the money supply imposed by the Federal Reserve and the estimate of a U.S. fiscal deficit of \$200 billion this fiscal year.

However, in the long term, even the fact that the rates of the Euromarket will not follow the increase in rates in the United States, strengthens the prospect that the cost of foreign loans will tend to fall. The president of the Central Bank said that creditor countries know that the debtors are not in a condition to withstand the effects of new increases in interest rates, not only because of the direct impact on servicing of debts but because of the threat of a return of the recession to the world economy accompanied by a depression in the prices of export products of the indebted nations.



## Interest Rates

In addition to the certainty that all are convinced that the recovery of the economy of developed countries is necessary for the adjustment of the world economy, Pastore also said that the United States and Europe can no longer maintain a high rate of unemployment and must reduce real interest rates so as to create jobs.

Meanwhile, the director of the foreign branch of the Central Bank, Jose Carlos Madeira Serrano, explained the international financial market does not exist, but that there is an imitation market functioning to provide for the needs of the large debtors through bilateral negotiations, which are not always tranquil. According to Madeira Serrano, only God can say when the flow of capital will become normal.

The president of the Central Bank revealed that economic authorities are already studying the terms of the next phase in foreign debt negotiations, which ends at the beginning of 1985, but they will only begin talks with creditors in August, when they expect to present more favorable figures on inflation and trade surpluses as the result of measures still in the implementation or adjustment phase. "It is still too early to trace the parameters of phase three of renegotiations, but Brazil will seek to obtain the most it can in the next agreement with the creditors," said Pastore.

With a trade surplus of \$2.44 billion accumulated in the first quarter, based on increasing exports, Pastore believed it possible to increase imports in the private sector by up to 30 percent in the rest of the year.

## The Numbers are Favorable says the Central Bank

The president of the Central Bank, Affonso Celso Pastore, speaking in the Chamber of Deputies before the CPI on the foreign debt, described as premature any forecast on whether or not the agreement with the IMF in effect to the end of 1985 will be extended, despite his forecast that the trend towards a decline in the current account deficit in the balance of payments will continue in coming years until it hits zero in 1987.

Also yesterday, the Central Bank revealed the numbers which show the "broadly favorable" attainment of the goals set by Brazil with the IMF for the first quarter of this year, with a nominal state deficit of 10.29 trillion cruzeiros and a real deficit of 362.6 billion cruzeiros; a net balance of domestic credit of the monetary authorities of 4.28 trillion cruzeiros, a surplus of \$2.7 billion in the balance of payments and a net foreign debt--gross debt minus total exchange reserves--of \$89.9 billion at the end of last March.

With the argument that "1986 is still far away," Pastore would not comment on the future of linking the Brazilian economy to the rules of the IMF after the end of the present 3-year agreement signed early in 1983, and on the change in government.

The former Minister of Industry and Commerce and Federal Deputy, Marcus Vinicius Pratini de Moraes (PDS-RS [Social Democratic Party Rio Grande do Sul]), already told the president of the Central Bank that the political class of Brazil and the other debtor countries need to seek an understanding with U.S. legislators so that negotiations on the respective foreign debts will pass into the political level, since economic authorities can obtain nothing more in negotiations with the IMF and foreign banks. Pratini de Moraes reported that he will go to Caracas and Washington tonight to present his proposals.

Pastore explained that the agreement with the IMF only established the structural changes that would enable the Brazilian economy to seek "Self-sustaining" growth without depending on foreign savings. He said that even without the IMF program Brazil would not be able to escape the fundamental rule of reducing the state deficit after having reached the peak of 6 to 7 percent of the Gross Domestic Product.

"The program is austere and harsh, with the costs resulting from the cuts in government spending and on the money supply. Brazil did not give up its sovereignty in the establishment of its economic policy but it had to adjust to the international situation. Other debtors such as Costa Rica, Argentina and Mexico, and even England, will also deliver letters of intent to the IMF and will accept austere programs of adjustment," declared Pastore.

The former minister and deputy of the PDS did not accept the explanation of Pastore and reiterated that political solutions for the foreign debt of developing countries are mandatory. Throughout the 5-hour deposition, the president of the Central Bank had several moments of irritation with the type of questions made by Deputy Eduardo Matarazzo Sulicy (Labor Party, Sao Paulo) to the point that the legislator complained: "You pay more attention to the IMF auditors than to the people's representatives in the National Congress."

#### Goals

In a note to the press, the Central Bank emphasized that Brazil attained the goals of the "four strategic variables" for the evaluation by the IMF of the behavior of its economy during the first quarter: deficit with the financing of the state sector, net domestic credit, balance of payments and foreign indebtedness (see chart). Preliminary figures indicate that in the first quarter the overall deficit of the state sector did not exceed 10.29 trillion cruzeiros and was 1.46 trillion cruzeiros below the established ceiling. The operational deficit was also contained at 326.6 billion cruzeiros with a leeway of 937.4 billion cruzeiros with respect to the limit established of 1.3 trillion.

The federal administration recorded a real surplus of 1.28 trillion cruzeiros during the quarter, with a nominal deficit of only 1.62 trillion cruzeiros, "reflecting the effort at containing expenditures and the transfer of fiscal resources for covering disbursements in the monetary budget." The states and municipalities also registered a real deficit of only 170.5 billion cruzeiros after the purging of the monetary and exchange corrections of the nominal deficit of 3.43 billion cruzeiros.

TABLES  
Financing of the State Sector\*  
Jan-Mar 1984

Flow in billions of cruzeiros

Distribution	Nominal	Operational
1. Internal financing	9,567.3	-363.6
1.1 State companies	4,077.5	332.2
1.2 Central government	1,625.3	-1,281.8
1.3 State and municipal governments	3,427.0	170.5
1.4 Others**	437.5	415.5
2. External financing	726.2	726.2
3. Total	10,293.5	362.6
4. Scheduled ceiling	11,750.0	1,300.0
5. Difference (4-3)	1,456.5	937.4

\* Preliminary figures subject to correction

\*\* Federal public services, funds and programs and social welfare

NET DOMESTIC CREDIT\*

Totals in billions of cruzeiros

Distribution	March 1984
1. Debts to private sector	3,515.3
1.1 Paper money in hands of public	1,793.5
1.2 Private sector demand deposits in the Bank of Brazil	961.0
1.3 Private sector time deposits in the Bank of Brazil	623.5
1.4 Other deposits**	137.3
2. Net international reserves	-760.8
3. Net internal credit (-2)	4,276.1
4. Scheduled ceiling	5,350.0
5. Difference (4-3)	1,073.9

\* Preliminary figures subject to

\*\* Without imports, repayable without trips abroad and other private sector deposits.

External Sector\*

Amounts in billions of cruzeiros

Distribution	Jan-Mar 1984
Balance of payments	
1. Results	2.7
2. Scheduled target	1.7

3. Difference (1-2)	1.0
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Net foreign debt

1. Increase	3.2
2. Scheduled ceiling	3.9
3. Difference (2-1)	0.7

\* Preliminary figures subject to correction

However, Federal public services, funds and programs and social welfare also accumulated a real deficit of 415.5 billion cruzeiros and state companies one of 332.2 billion--nominal of 4.08 trillion cruzeiros from January to March. The sum of the two items is more than double the total of the real deficit for the quarter. To finance the real deficit of 326.6 billion cruzeiros and to compensate for the cut of 363.6 billion cruzeiros in domestic credit, the state sector had a foreign financing of 762.2 billion cruzeiros in the first three months of the year.

Throughout the first quarter Brazil managed to rebuild its net reserves, in the opinion of the IMF by \$2.47 billion--available assets minus debts due in periods of less than 360 days. The negative position of reserves in the opinion of the IMF, fell from \$3.3 billion in December 1984 to \$760.8 million last March. That is why the balance of net domestic credit remained at 4.28 trillion cruzeiros at the end of March, with a margin of 1.07 trillion cruzeiros with respect to the ceiling of 5.35 trillion cruzeiros imposed by the IMF.

8908

CSO: 3342/104

## UNEMPLOYMENT RATE IN MARCH SECOND HIGHEST SINCE JANUARY 1983

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 May 84 p 35

[Text] The unemployment rate in March in the six main metropolitan regions of the country reached 7.81 percent, compared to the 7.82 percent rate recorded in February. These rates are the highest since January 1983, it was reported yesterday in Rio by the Brazilian Institute of Geography and Statistics (IBGE).

The heaviest unemployment was in the Recife metropolitan region, with a rate of 9.53 percent, followed by Porte Alegre with 9.02 percent. The remaining metropolitan areas had the following unemployment rates: Rio de Janeiro, 7.32 percent; Sao Paulo, 7.51; Belo Horizonte, 8.57, and Salvador, 7.87.

With respect to the economically active population of those metropolitan areas, whose last count by the IBGE was 12,277,200 workers, the number of unemployed totalled 958,628 in March. This is the contingent that the IBGE considers as being included in the classification of "open unemployment," which means all persons 15 years-of-age or more who were previously employed or were seeking employment for the first time. However, to this must be added all those who work for themselves without any employer links, who made nothing in March or who made less than the minimum wage (164,475), and who total 761,633, making a total of 926,108 workers who are underemployed. Therefore, between the unemployed and the underemployed, there were 1,844,736 persons, making up 15.35 percent of the economically active population of the six main metropolitan regions.

In the rate of 7.81 percent open unemployment in March, the largest share consists of the services sector, whose rate was 2.69 percent compared to 2.57 percent in February. In the civil construction branch, unemployment also increased, going from 1.07 in February, to 1.12 percent in March. In the transformation industry, however, the declining trend continued from January, since unemployment declined from 1.84 percent in February to 1.79 in March. In the retail trade, unemployment declined from 1.10 percent to 1.04 percent in those 2 months.

#### Level of Employment

For the third consecutive time, the level of industrial employment in the state of Sao Paulo registered an increase, with the reabsorption of approximately 1,400 employees in the third week of April, according to a survey made by the

Federation of Industries of Sao Paulo. There was a positive change of .09 percent. The accumulated total for the first 3 weeks of April showed that the recovery noted was 7,600 new jobs, representing .49 percent compared to March of this year.

Unemployment in the six main metropolitan regions of the country

	Economically Active Population	Open Unemployment	Underemployment
Rio	3,638,100	266,308	305,236
Sao Paulo	5,237,600	393,343	252,451
Belo Horizonte	1,026,800	87,996	113,973
Porto Alegre	974,200	87,872	68,290
Recife	776,600	74,009	106,238
Salvador	623,900	49,100	79,920
Total	12,277,200	958,628	926,108

Source: IBGE

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CSO: 3342/104



## TIGHTENING OF MONETARY SUPPLY, CREDIT FORECAST; COMMENT

## Central Bank Announcement

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 84 p 24

[Text] The Central Bank is announcing a tightening up of money and credit without precedent in May and June to make the monetary base--primary issuance of money--accumulated during the first 4 months of the year fall from 19.9 percent to 13.5 percent by the end of this September, pursuant to the ceiling imposed by the IMF. After the 17.4-percent growth in April alone, the amount of the monetary base needs to fall 3 percent this month and 2 percent in the next, which led to the "violent" tightening in the Bank of Brazil outlays and in the operations with funds of the Central Bank. A Central Bank source admitted that the increase of 19.9 percent during the 4-month period, compared to the 5-percent ceiling set by the IMF could make the monetary budget unworkable and force the country to negotiate a new request for a waiver or even a new letter of intention with the Fund.

In April, as Central Bank President Affonso Celso Pastore admitted, it was expected that just as had happened throughout the first quarter, the already intense restraint in lending by the Bank of Brazil, cuts even in financing of exports, and the direction taken by operations abroad and specifically the surplus in the treasury of 455.8 billion cruzeiros, would allow meeting the monthly rate of monetary base expansion of 3 percent. However, between the 15th and 18th, technicians of the Central Bank were warning of the deviation of the monetary base. The monthly growth of 17.7 percent at the end of the month startled the entire economic area, beginning with Minister of Planning Delfim Netto.

The Central Bank sought to blame the April results "on a deviation at the beginning of the month, since the expansion of the monetary base calculated on the basis of daily averages did not exceed 3.5 percent." On the basis of that average percentage, the Central Bank pointed out that the monetary policy continues to be adequate. "It is important to observe that the active operations of monetary authorities were kept under a strict control, with the main items presenting a change compatible with established targets. The April results, therefore, were due basically to a circumstantial behavior of the open market operations."



Unlike the two previous months, when the Central Bank acted aggressively on the open market to remove money from the market, in April all control factors in liquidity acted in the direction of expanding the monetary base during the last days of the month--collection of taxes, transfers of federal grants to the states and municipalities, reviews of exchange positions by the banks and the open market itself.

The Central Bank foresaw a neutral effect of the open market but in April it concluded by retiring 533.3 billion in bonds of the public debt--353.8 billion of the private sector and 179.5 billion in the government area. Exchange accounts also did not contribute with the contraction foreseen on the monetary base of 130 billion cruzeiros, and even showed a small increase last month.

In May, the monetary budget foresaw a growth in the monetary base of 2.1 percent, however, the April deviation forced the Central Bank to reduce primary emission of money by 3 percent. Next month tightening will be even greater: instead of a growth of 5.8 percent, the Central Bank wants a cut of 3 percent to try to correct the deviation; the Bank of Brazil will cut down on loans, the treasury will restrict the disbursement of resources and the Central Bank will increase returns on primary deposit notes on the open market and will also reschedule the distribution of federal funds to the states and municipalities.

#### Credit Tightening Only Rumor

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 84 p 24

[Text] The monetary budget had established the limit on the monetary base (primary money) at 5 percent for the first 4 months of the year but the base grew by 19.9 percent. Authorities are uneasy, concerned primarily at the explosion in April. If the trend persists, all the calculations which make up the monetary budget will have to be redone and the country will be forced to request a new postponement from the IMF because it would be impossible to comply with the financial commitments within the stipulated time periods.

The simple dissemination of that information was enough to create another rise in exchange on the parallel market and to sow the rumor according to which monetary authorities would engage in a terrible policy of credit tightening by the end of the quarter, which would also apply to exports financing.

The alarm was very exaggerated and it is fitting that the truth be reestablished. Although the government seeks to take drastic measures in order to contain the overflow of the monetary base, it is not true that the only means of doing so consists of a restriction on credit. On the other hand, the government appears to be calm and will not be forced to request a waiver from the IMF because it discovered that monetary pressures these last few weeks had well determined reasons, which can be eliminated without resorting to a new tightening of credit. Actually, the government is seeking means for reactivating the open market as a regulatory instrument for the monetary flow.

The increase in the monetary base was not caused by some error in the overall financial operations of monetary authorities. The total of those operations remained exactly within the limits stipulated. What is actually happening

is that due to the intervention of certain factors, monetary authorities are not managing to obtain the spending of extra liquidity on foreign debt bonds, operations of the open market now exerting an expansionist influence because liquidations are greater than purchases.

In March it was already noticed that there was a disproportionate increase in the money supply. In April the expansion spread to the monetary base. One of the reasons for that phenomenon may be found in Resolution No 02 of the Central Bank, which allowed building and loan associations to use up to 20 percent of savings deposits in working capital operations related with the civil construction sector. Indeed those operations were accomplished with little supervision and from what is known, such operations exceeded the amount of a trillion cruzeiros. This is a source of financing on which there is no supervision, unlike that exercised over the commercial banks which have compulsory deposits. Thus, that is the reason for the explosion in the money supply because those credits became demand deposits.

The resolution of the National Housing Bank [BNH] will have to be revoked so that the needs of financing for working capital may be once more covered by the commercial and investment banks. On the other hand, the excess of liquidity of the housing and loan associations will be invested in state debt bonds.

Another source of an excess in liquidity is found in the fixed income funds created by financial institutions, which having taken in almost a trillion cruzeiros, allow on demand payments to depositors. The Central Bank will have to regulate such funds and specifically demand that a substantial portion (nearly 40 percent) of the resources collected be spent on state debt bonds. That would cause a slight decline in those payments and, in compensation, the funds would have more liquidity and security.

If the government can once more withdraw surplus liquidity from circulation, it will not need to reduce its financial operations any more than it intended. Moreover, this week the monetary authorities managed to sell LTN and ORTN [Treasury Notes and National Treasury Bonds] in sufficient amounts to neutralize the inflationary effects of the surplus in the balance of payments. Brazil will not have to ask the IMF for a waiver, at the most it may ask it to allow the amount of the state deficit--resulting from the increase in the domestic state debt--be greater than that which was agreed upon due to the need for neutralization of the effects of the improvement in the exchange situation. It will not be difficult to obtain that increase from the IMF because that does not affect the target of the net domestic assets of the monetary authorities, which is the most important indicator for the IMF. The recovery of the open market does not mean a greater restriction on credit.

## ENGESA SELLS OIL DRILLING EQUIPMENT TO USSR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 May 84 p 24

[Text] The \$2 million sale in pumping rods for the extraction of petroleum made by ENGESA [Specialized Engineers, S.A.] to the Soviet Union was indicated yesterday as "a certificate of approval of Brazilian technology by one of the most demanding international buyers," by a high official of the East Europe Division of the Ministry of Foreign Relations. According to the diplomat, "That contract, although nominally small, was very much contested, including by suppliers with a long history in the sector." In the beliefs of the specialist, the interest is justified: "Qualification in that competition opens the market of East Europe to many other proposals."

ENGESA, which manufactures a line of military trucks (with civilian versions), tanks on wheels, and a multipurpose amphibian, in addition to heavy agricultural or forestry tractors, obtains almost all its orders in the defense materials line, although there is now a strong trend towards diversification of products. Thus, one of its subsidiaries, ENGEVIDEO [expansion unknown] regularly produces various types of institutional commercial products, while the FNV--Vehicles and Equipment--will shortly come out with a standard jeep for the land forces, which will be followed by a commercial type for civilian use.

Exports to the Soviet Union (which is the largest oil producer in the world with more than 50,000 metric tons [as published] per year) will in the medium term allow the present contacts to be expanded in the area of advanced technology, said a technician of the organization, pointing out the "critical demands" made by the Soviets and announcing that ENGESA is preparing a new proposal "consisting of other articles in its showcase," although without naming them.

8908

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## REACTION TO SOVIET ARTICLE ON ANTARCTIC CLAIMS

Santiago EL MERCURIO in Spanish 23 Apr 84 pp A1, A12

[Excerpt] "The commentary of a Soviet daily is in error, since what Chile has been doing and is doing in the Antarctic is in conformity with the provisions of the treaty, that is to say, activities of a peaceful nature, such as scientific research, weather research and studies of logistical support for a connection between the frozen continent and the rest of the world, all requiring the participation of government personnel."

This is what Foreign Ministry specialists pointed out to EL MERCURIO yesterday, referring to the article in the important Russian daily, SOTSIALISTICHESKAYA INDUSTRIYA, to the effect that the Soviet Union, in accordance with the Antarctic Treaty, will consider any Chilean effort to claim a part of the frozen continent as an act of "banditry."

According to ministry spokesmen, this article contains serious errors, insasmuch as the Antarctic Treaty of 1959 protects the rights of those claiming sovereignty over Antarctica, which is the case with our country, and the stand of those who do not recognize such rights, including the Soviet Union.

Our sources expressed the view that "it is to be assumed that the commentary is not of an official nature, and merely represents the opinion of a Soviet newspaper."

The publication made a full analysis of the situation, right after the recent visit to the area by the president of the republic, Gen Augusto Pinochet. According to the analysis, the Chilean chief of state is planning to take control of part of Antarctica. It added that the visit was for the purpose of preparing the way for a campaign of "colonization" of the frozen continent.

It also said that Chile has already made preparations to this end by constructing settlements of civilian and military specialists in several sectors of the South Shetland Islands between Cape Horn and Antarctica.

"The thesis of that newspaper is in error, because if it were as claimed, the Soviet Union would be in opposition to the very essence of the treaty, which also protects the position of the contracting parties which do not claim sovereignty. Specifically it would be contrary to article 4 of the agreement," they pointed out.

12383

CSO: 3348/404

## MAJOR PARTIES POLLED ON CONSTITUTIONAL ISSUES

Santiago EL MERCURIO in Spanish 22 Apr 84 p C3

[Text] All of the political parties and movements with important public following which are currently active in the country, are in favor of modifying (partially or completely) the 1980 Constitution, advancing the date for the convening of a congress (of various characteristics, according to the parties) and of using the plebiscite (except in the case of the extreme leftist parties), as an instrument for validating a change in the present Magna Carta.

Confirmation of this follows from a comparative analysis made by EL MERCURIO, based on public positions announced by the political organizations referred to, on the six aspects of greatest relevance in the current discussion of the political prospects.

For purposes of the comparative chart, we established the known positions respecting the 1980 Constitution (whether the party accepts it, rejects it, whether it wants changes, or whether it prefers its replacement via the Constituent Assembly mechanism); the holding of a plebiscite (whether the party considers this a good system for modifying the constitution, and when it thinks it would be advisable to hold it; the convening of a national congress (when and what kind of parliament: the one called for by the 1980 Constitution or a modification); the passing of the laws regulating political activity (when and within what framework) and the duration of the presidential term (whether the party accepts the date set by the constitution, whether it prefers changes, or simply calls for resignation). As a final item on the chart, an effort was made to establish the extent to which the parties would be willing to join in political alliances for a functioning democracy, and to describe the positions which the political groups have taken on the subject of the participation of the Communist Party in the democratic process or the range of political alliances which the respective parties would find acceptable.

In line with these declarations, the pattern of the various positions, on the points mentioned, is the following:



	<u>Constitution</u>	<u>Plebiscite</u>	<u>Congress</u>	<u>Political Laws</u>	<u>Presidential Term</u>	<u>Exclusions &amp; Agreements</u>
National Action Movement	1	6	11	19	22	27
Independent Demo- cratic Union	1	6	11	19	22	27
National Union	1	6	12	19	22	27
Radical Democracy	1	6	13	19	23	27
Democratic Social- ist Workshops	1	7	12	19	24	28
National Democratic Party	1	8	14	x	x	28
National Social Movement	1	6	11	19	22	27
National Party	2	9	15	20	25	29
Republican Right	3	10	16	21	x	30
Christian Democratic Party	3	10	17	21	x	31
Radical Party	3	10	17	21	x	31
Social Democratic Party	3	10	17	21	x	31
Socialist Party (AD)	3	x	17	21	x	31
Socialist Bloc	4	10	x	x	26	32
Socialist Party (Popular Democratic Movement)	5	x	x	x	26	33
Communist Party	5	x	18	x	26	34
Movement of the Revolutionary Left	5	x	x	x	26	x

(key on next page)



Key:

1980 Constitution

1. Accepts, with modification of the transitional articles
2. Accepts, with modification of both transitional and permanent articles
3. Requests Constituent Assembly or Constitutional Statute
4. Constitutional Pact
5. Constituent Assembly

Plebiscite

6. Should be held 1985 to set earlier date for convening of congress
7. Should be held 1985 to decide whether presidential term should extend to 1989 or 1986
8. Should be held (no date specified) to set earlier date for convening of congress
9. Should be held 9 December 1984 to set earlier date for convening congress
10. No date (1984-1985?) Should be held to settle differences between parties supporting present government and those opposing

Congress

11. Election in 1986 per 1980 Constitution
12. Elections 1986
13. Election 1986 with modified congress
14. Election or appointment
15. Election 11 September 1985 per modified 1980 Constitution
16. 1985; modified congress
17. 1985; modified congress. Does not accept congress per 1980 Constitution
18. Rejects Congress per 1980 Constitution

Political Legislation

19. Promulgation in 1984 in Council of State or mixed commissions
20. Promulgation in September 1984 in Council of State or mixed commissions
21. July 1984--mixed commission without participation of present government

President Term

22. Until 1989
23. Repeal of temporary order 27.a
24. Until 1986
25. (Party position at Temuco): until 1985; (Party position at Santiago): until 1989
26. Resignation

Coalition Possibilities; Exclusions

27. The democratic parties, excluding the Marxists. "The Group of Eight"
28. "The Group of Eight"
29. The democratic parties, excluding Marxists, the Socialist Party and the Communist Party

(key continued on next page)

(Key continued)

- 30. Excludes the Communist Party and the AD [Democratic Alliance] faction of the Socialist Party
- 31. Does not exclude the communists, or the AD socialists
- 32. Wants a united front of nationalist opposition, AD-MDP [Popular Democratic Movement]
- 33. Alliance with Communist Party and the Popular Democratic Movement
- 34. Broad alliance: MDP-AD-CNT [National Workers Command]

12383

CS0: 3348/404

## BRIEFS

PURCHASE OF BRITISH DESTROYER--The transfer of the destroyer HMS "Antrim" to the Chilean fleet is to take place at Portsmouth, Great Britain on 21 May next. This unit, which will bear the name of "Cochrane" in our country's service, is the sister ship of the destroyer "Prat", which joined the fleet in April 1982. The destroyer "Cochrane" will undergo a brief period of training with the British Navy before setting sail for Chile shortly after the first of July. "Cochrane" was commissioned in the British Navy in July of 1970. Displacing approximately 6,000 tons, it is equipped with surface-to-air missiles of an impressive range, Exocet surface-to-surface missiles, Seacat surface-to-air missiles and two 4 1/2-inch guns. In addition, it can carry two helicopters, in either the antisubmarine or anti-surface ship version. It has detection and tracking systems which feed their data to a central computer. The propulsion plant is steam driven, but it can be supplemented by 2 gas turbines in developing high speeds. Our navy decided upon the acquisition of these ships as an emergency measure to replace units dating from World War II, which had to be superannuated. The ideal solution would have been to construct replacement units at Talcahuano, but the price of a new ship equipped like the ones which our country is acquiring second hand, is prohibitive. This is the reason why the navy did not try to do so, nor will it do so until the country is in better economic conditions. [Excerpts] [Santiago EL MERCURIO in Spanish 22 Apr 84 p A3] 12383

CSO: 3348/404

## UNATTRACTIVE PACKAGING OF CONSUMER GOODS DISCUSSED

Havana BOHEMIA in Spanish No 13, 30 Mar 84 pp 28-31

[Dialogue between journalist Ilse Bulit and Alberto Pozo: "Either Goods Are Attractively Presented or They Do Not Sell"]

[Excerpt] In Cuba, there are those who know how to present products, although this knowledge is being lost, but for export, neglecting extrinsic quality is a crime against the economy.

Dear Pozo:

I must tell you about a bitter experience--a sad moment for me during my trip to Czechoslovakia. How bad I felt! And on that gray winter European morning, I had awakened so happy.

I had learned to dash across the streetcar rails during rapid changes of lights on the Avenue of the Armies in the beautiful city of Bratislava. I had come from the banks of the Danube, where I had fed bread crumbs to doves so fat I do not know how they can fly. In an antique shop in a certain narrow passageway, I had listened to the chiming of various little intricately shaped clocks. I wandered through the tales I had read in my childhood.

Then I decided to go into a modern supermarket. I took a cart, and along with the other men and women, I entered the world of comestibles.

I saw the trimmed beefsteaks, free of bits of skin, ready for cooking in their sanitary nylon packaging, the fragrant sausages of unbelievable fatness and variety to my mind accustomed to sausages of the "hotdog" type, the various cheeses on their plastic trays, marked with the exact weight, the sweets, the canned goods. I experienced mature socialism, in its food satisfaction manifestation. Here as in the Soviet Union and Bulgaria, the beloved and unforgettable countries I visited, the working women and mothers had the convenience of semi-prepared meals. I felt proud of myself and my compatriots, who in the midst of Caribbean transition are fulfilling our duty to our fatherland and our children, peeling the potatoes which are offered here peeled and sliced and ready for the frying pan.

In my heart, although I was thousands of miles from the workers congress, I understood the need for us to imbue ourselves to the very marrow of our bones

with economic conscience. Savings, increased productivity, labor discipline, administrative organization, the vigilant role of the trade union--these are the indispensable markers along the path to what I was seeing--savory products, beautiful in their dazzling packaging, on which the brand names from the various countries in the socialist camp were printed.

Pushing my cart along, I was happy.

Then, when I came to the pickles, I saw it. I had tasted it in Cuba, had liked it, had found it delicious, and yet...

Sad, in its round jar with its bare greenish label--sometimes affixed neatly and sometimes askew--Cuban pickled cabbage hid its shame in an assortment of containers and colors the aesthetic attractiveness of which screamed "buy us, we are as tasty as we are beautiful!" Meanwhile, with its ugly label, our pickled cabbage, also tasty, seemed only to moan.

In this Europe where no one lives as well as his neighbor, I touched the wretched jar in a rapid gesture. In fact I caressed it, as if to give it courage. Seeing its melancholy as a product sent into battle without the weapon of attractive appearance, an essential factor in any developed market, I took it as a gesture of civic reciprocity and tossed it in my cart.

Walking with it, head lowered, I reflected on the urgent need for proper designs for the containers of the products of our light and food industry we export. As I reached the beverage section, someone touched me on the shoulder. It was the lively Giraldilla, a merry presence among the Havana Club brand rums and liquors, well-known throughout the socialist world. In my travels through restaurants, hotels and cities, I had seen this name on the menus and lists in bars, thanks to the prestige won by the delicious liqueurs and intoxicating rums and the elegant design which speaks of our fatherland.

With a wink, Giraldilla raised my spirits, and I caressed the label announcing my favorite flavor, pineapple. I understood her mute message.

It is necessary to struggle and struggle. We must create a market for our products and awaken sensitivity to what their physical presence represents.

Your friend, Ilse Bulit

Dear Ilse:

How much good you are doing the country with your letter! Because the two examples you give--the pickled cabbage and the Havana Club rum--represent two opposing views of market presentation. One is totally naive and doomed to failure--the pickled cabbage, while the other, to judge from retail consumer demand for it, is a winning card.

For a product may have great intrinsic quality and be capable of satisfying the physical need for nutrition, but if it does not strike the eye and arouse feelings of pleasure, it will not sell. This is the case with the pickled cabbage. And we should not be surprised: there is something which distinguishes the human being from the animal. And that is, whenever possible and if we are not in an extreme situation of hunger, man requires a certain spirituality in each of his life's decisions. He zealously seeks beauty, an aesthetic aspect to his acts. Let us remember what Marti thought, to the effect that "what is ugly wounds me."

When that jar with its poor, blurry label carelessly affixed, and off-center at that, in the context of a supermarket in a developed country, in an aesthetic whole which gives off a subtle pleasure, our poor pickled cabbage stands out like a stain which clashes negatively within that picture of light, color, brilliance and harmony.

For today every product, in addition to its useful value, should seek in its presentation to provide a minor work of art, pleasing the buyer and providing him with a measure of spiritual recreation, in addition to the need it is intrinsically designed to meet. What is ugly wounds.

On the other hand, why did Giraldilla appeal to you discreetly? Why did the presence of that bottle of rum raise your sinking spirits? Because of its presentation, the harmony of color and form which at that time refreshed you like the caress of a wafting breeze. This presence, this brave figure, this "personal" attractiveness of the Havana Club product contributes to desirability.

And I must explain a very important concept to you. Nowadays, because of the existing overproduction and the rise in general culture, only a product with an intrinsically superior quality can hope to compete on the international market. In other words, there is no longer any room, as there might have been some decades ago, for a product of low intrinsic quality.

But neither does this quality suffice today. Its extrinsic quality--its presentation--is the indispensable quality, a sine qua non. For, and I purposely reiterate to you, the retail consumer in any country is influenced by his emotions, by what he sees, by spiritual satisfaction, since in the final analysis, for the reasons noted above, the differences in intrinsic quality are minor. And the consumer knows this. In addition, another factor enters into a purchase. It is what we call the image of the product. Put in another way, the idea the consumer has about what he is buying is almost totally subjective, and depends on sight and presence, and not such objective factors as knowledge of the quality of each of the raw materials comprising it, the technological processing or, finally, the production norms or credentials.

This image of the product confers upon it values attributed to it by the consumer, based solely on the impact made by its appearance. The concept is based on the real elements making up the product to a much smaller extent or hardly at all.



This is what retail buying is, and to ignore this truth which is repeated daily and which creates market demand is to play the ostrich: putting one's head in the sand in order to avoid facing reality.

I am sure, Ilse, that if you had had sufficient monetary resources, you would on shopping in the supermarkets and shops in the developed countries have purchased much more than you need, for the pleasure of possessing these products, a pleasure more spiritual than physical, would have led you to empty your pockets or wallet...and in addition, with what pleasure you would have done so!

It is essential to understand all that I have said above if in truth we want to diversify our exports, and if this vital national need is not to remain a mere desire. For the quality of a product is not only the result of the production process, but begins in the preproduction stage (the design) and ends in the postproduction phase, which is the satisfactory use or consumption by the buyer.

And I am not speaking within a historically concrete context which is alien to our national reality. To what is the great success of the black market due? It is not only that we find there products which are not available in the normal network, but we also find products which are similar but set forth in a pleasant and comforting environment, not only in terms of the physical elements in the building, but with a labor force using pleasant treatment like an invulnerable exchange medium. Package and contents in an exquisite whole.

And I will give you some examples. You know that the refrigerators on free sale, both those found in the black market network and in the traditional shops, are sold almost exclusively in the Amistad chain? This is because, even though the same product is involved, the public prefers to buy in the place where the context for sale offers that extra spiritual component which the human species seeks so zealously, as a logical consequence of our psychic structure.

Another example involves a friend of mine who bought a pair of shoes for 85 pesos. He was delighted, proud and satisfied with his purchase. He wanted me to see them, and got more enjoyment from showing them off than from using them, which is the primary purpose. As in the course of my journalistic work I have had occasion to go into the technology of shoe making somewhat, I can tell you that the pair that I was wearing, Amadeo brand, of the best quality, of the kind sometimes sold for coupons, at a cost of about 20 pesos, were definitely superior to those that my friend showed me. The sole was not securely attached, there were rough wrinkles, the fastenings were obvious, and the stitching inferior. But who could convince him, since his picture of the product was solidly rooted in his feeling about the purchase?

I know people who after plunging into the fascinating world of developed trade, have said: "we cannot compete in quality." They are simply stunned by the image, the appearance, the aesthetics of presentation.

I, who have made a study of all of the laboratory tests and all of the results on the Cuban products of highest quality, can tell you that the intrinsic quality of these articles is as good as that of those they saw, if not indeed in some cases better.

How can they be convinced? Not only by discussing these problems, but by urging them to investigate these realities, and to come to conclusions based on objective elements. I repeat, this will do the country great good. Because we are waging a battle for economic efficiency and profitability, which is the most complete indicator. But what is the final goal? To raise the quality of products, for only thus can we observe the cardinal law of socialism: satisfaction of the growing needs of the people.

There are many who have a poor image of many of our products. I understand this, because the same thing has happened to me. When the process of certification, as a scientific tool for raising the quality of products, began to be used, I said to Ramon Darias, the president of the State Certification Committee: "what products can be classified in the superior category, except for tobacco, sugar and rum?" Today I am persuaded that this is not the case, because I did as Thomas Aquinas did: "I saw and I believed." And much more than that, I investigated and used concrete scientific results as my guide.

Therefore, what another BOHEMIA journalist said to me recently is no surprise. "You will be hard put to it to compare the Cuban Fresca brand of shaving creme for use with a brush favorably with the foreign Williams and Palmolive brand."

However, I have in hand the laboratory analyses, the use tests, the specialists' criteria...and I know that there is no appreciable difference and there could not be, because the formulas are very similar.

What is it that works against Cuban products? Presentation, the visual effect. And not only this: in our subconscious there is also pressure from the traditional halo of quality identified with these foreign products, as well as the years during which the quality of our products "sagged" due to lack of resources and design faults. But currently this is not the case with Suchel and other Cuban producers where quality comes first.

As I know I am a Don Quixote tilting at windmills, I would be more than satisfied to continue this discussion of quality. Only in this case, Don Quixote knows he is battling real windmills, and my opponents have indeed confused the windmills with giants. It is they who are letting themselves be carried away by the image, the appearance, although I perfectly understand their attitude, because they lack scientific information.

There is also in the minds of some of our producers and planners the idea that we do not have sufficient resources to see in many cases both to intrinsic quality and the extrinsic quality (presentation) of the product. Therefore, if this is the situation, it seems more desirable to sacrifice the latter.

In all good logic, this decision is acceptable for the domestic market.

But in equally good logic, the results of commercial practice are telling us that demand involves this second phase, and therefore purchases in the black market are increasing (600,000,000 pesos in 1983) and traditional market sales are dwindling. And we should not be surprised, because the Cuban buyer now has a stock of products or a reserve, and he can sit down and choose and decide.

I call attention to Cuban shoes, a part of which go unsold while those offered on the black market sell. It is necessary to bear in mind, looking at the historically concrete factor, that the current market situation is not the same as it was several years back. And as we all know, demand conditions change. What do I mean? That light industry, for example, must take these realities into account in its production of shoes and clothing, if it wants to avoid economic and moral failure. But I add this proviso: it is not only a matter of the criteria of light industry, but of designers' concepts as well.

Finally, I will give you some examples of products which could be exported and the influence of their presentation. The dolls produced in Cuba will not find an outlet in foreign markets until it is decided to present them in suitable containers. Our citrus fruits have been better than the foreign product, in terms of intrinsic quality, but their presentation has been inferior, and sales opportunities have been lost. Some very high quality perfumes have suffered the same fate because of inferior presentation abroad. Fresca shaving creme seems to be lagging behind other brands solely because its presentation is inferior. I can even tell you that many of our products have not been able to obtain authorization to bear the "state quality" label because their extrinsic shortcomings excluded them from the superior classification or, what comes to the same thing, excluded them from the level of products which win international markets.

Excuse me, Ilse, if this letter has been too long. But I am persuaded that what I am writing at this time is far too little to open people's eyes to the great need to meet presentation requirements in order to make our products suitable for export, as well as to make them attractive on the domestic market and capable of competing with what the black market offers, while at the same time making the traditional trade network more attractive.

Your friend, Alberto Pozo

#### PHOTO CAPTIONS

1. p 28. Havana Club Rum is a name linked with excellent success. In addition to its intrinsic quality, its presentation is captivating and faultless.

2. p 29. Pickled cabbage is overlooked in all of the Czechoslovak markets. Compare its poor presentation with that of other socialist products.
3. p 29. Little bottles of Soviet chocolate with liquor or cognac. In the view of photographer Tony Martin, a treat for the taste and the eyes.
4. p 30. For those who do not know, our perfumes named Fantasia and Diamante Negro (Black Diamond) emerge triumphant in sales as compared to other famous products both from the capitalist and the socialist sector--the battlefield is the cosmopolitan city of Prague.
5. p 30. The Florena cosmetics line from the GDR has also won over the Cuban public: good product, pleasant appearance.
6. p 31. Hungarian canning industry. Each container is attractive. And if the sale is made by hygienically presented personnel, as shown in the photograph, we will certainly buy until we reach the bottom of our pockets.
7. p 31. The famous Hungarian Tokay wine. Apart from the contents, this label, one of those aspects touching the spirit, adds a touch of distinction.
8. p 32. Traditional factory in Puentes Grandes. Its workers will be able to pull out of the slump and match the competitor, Hatuey.
9. p 33. The 15 percent Polar beer lost its authorization to carry the State Quality Mark. In the center is the 18 percent Hatuey, State Mark with the circle--among the best products in the world.

5157

CSO: 3248/624

## NEW ADMINISTRATION EXPECTED TO FACE DIFFICULT TASK

Quito EL COMERCIO in Spanish 8 May 84 p A-1

[Article by Miguel Rivadeneira]

[Text] An arduous and difficult task awaits Leon Febres Cordero on 10 August 1984, after his victory last Sunday over his opponent of the Democratic Left, Dr Rodrigo Borja, by more than 100,000 votes, according to unofficial results.

Febres Cordero and Vice-President-Elect Blasco Penaherrera will spend the next few days structuring their government team and forming the ministerial cabinet.

The economic crisis that is afflicting Ecuador, and initial relations with the National Congress, in which opposition parties will hold a majority, will be the first obstacles the Febres Cordero administration will have to overcome.

In this regard, there is a great deal of speculation about the positions to be taken by the 13 parties that will be represented in Congress beginning next 10 August, especially the so-called leftist and center-left parties, which will be in the majority. Some will declare independence from the Febres Cordero administration, and others will go over to the opposition, according to preliminary forecasts and opinions.

The Febres Cordero government is assured of 16 votes in the National Congress, belonging to the four parties that made up the "National Reconstruction Front": nine from the Social Christians (the newly elected president's party), four from the Liberals, two from the Conservatives and one from the Revolutionary Nationalist Party.

The Democratic Institutional Coalition and the National Velasquist parties, which also backed the Febres Cordero-Penaherrera ticket, did not win a single seat in the legislature during the elections of last 19 January.

The pro-administration legislative bloc may include the Concentration of Popular Forces Party (CFP), which will have seven deputies in Congress as of 10 August. This assertion is based on the fact that the majority of CFP leaders in the various provinces of the country worked for the "National Reconstruction Front" ticket.



In any case, the result will be determined by what the CFP decides to do with regard to the new configuration of parties in Congress and the new government, especially considering that the party's top leader, Averroes Bucaram, will be a provincial deputy from Guayas.

On the other hand, the parties of the center left and the left that supported Borja will have a majority of votes in the next Congress.

The Democratic Left will have 24 deputies, the Democratic Party five, Popular Democracy four, the Roldosist Party three and the Broad Front of the Left two. In all they will comprise 38 deputies.

In addition to the ten parties mentioned, three more will be represented in Congress that did not back any of the final candidates and that decided to take an independent stand.

They are: the Alfarist Radical Front (FRA), which will have six deputies in the next Congress; the Democratic People's Movement (MPD), with three deputies; and the Ecuadorean Socialist Party, with one deputy. Of these three parties, the MPD and the Socialists criticized and rejected both presidential finalists equally, while the FRA rejected the country's political right and identified itself as the party of the Ecuadorean left, without, however, supporting the candidacy of Rodrigo Borja.

In this regard, the leader and former presidential candidate of the Democratic Party, Francisco Huerta, announced yesterday that his party will maintain an absolutely independent position in Congress, and will adhere strictly to its political doctrine in its actions.

Huerta stated that his party will try to promote socially beneficial legislation, and he expressed the hope that the president will endorse them.

"To speak of the opposition as obstructionists would be absurd; but given that we have nothing in common in terms of ideology, we suspect that sooner rather than later the Executive will clash with our legislation, especially considering the style that the electoral campaign presaged," he added.

"In any case," he stressed, "with regard to the center left, some of our predictions have unfortunately come true, but this is not the time for regrets."

The national deputy-elect for the Social Christian Party, Sixto Duran Ballen, commented that "we should forget the differences that arose during the electoral process."

He said that the new deputies that will come to Congress are honorable people, and although many of them represent doctrines contrary to that of Febres Cordero, they will work for the good of the country.

The supreme director of the Roldosist Party, Guayaquil Mayor Abdala Bucaram, stated that he cannot comment on any opposition that may be launched against the Febres Cordero administration.



He added that he does not know what position Febres Cordero will take, but in any case he will be anxiously waiting to see.

The national chairman of Popular Democracy, Wilfrido Lucero, said that the election results will be analyzed so that a political stand can be taken. This is not a matter that should be determined hastily, he pointed out, stressing that Popular Democracy is diametrically opposed to the new administration in terms of politics, ideology and platform.

The assistant national director of the MPD, national Deputy-Elect Jorge Moreno, announced that his party will pursue a policy of total independence from the new government, in the National Congress as well as other spheres.

In view of this situation, Febres Cordero expressed optimism upon winning the election Sunday.

He stated his view that no matter what opposition exists, "I don't think any prudent politician would oppose bills that benefit the Ecuadorean people."

In addition, he indicated that his experience in the legislature and his acquaintance with many of the men who will serve in Congress give him a certain advantage in being able to maintain the most cordial relations with all branches of government.

Meanwhile, the losing candidate of the Democratic Left, Rodrigo Borja, announced that his party will engage in democratic opposition to the positions of the new administration that run counter to the interests of the Ecuadorean people.

The party, said Borja, is for a permanent struggle in defense of the Ecuadorean people's interests.

He explained that his party will go over to the opposition, not to destabilize his opponent's regime, but rather to highlight his errors, denounce dishonesty—if there is any, of course—and bring about whatever rectifications are necessary.

In addition to the make-up of the National Congress, however, another issue to face will undoubtedly be the economic crisis the country is undergoing, which is the principal problem plaguing Ecuadoreans.

In that regard, Leon Febres Cordero and Blasco Penaherrera are optimistic about their ability to grapple with and overcome the economic crisis.

Febres Cordero announced that his promise to rebuild the country is being implemented, while Penaherrera exhorted the Ecuadorean people to have faith and confidence "in what we are going to do."

As for the economic crisis, the Ecuadorean people are waiting to see what Febres Cordero can accomplish, and as for the formation of the National Congress, we will have to wait for the 13 parties that will be represented in the legislature to adopt their positions with respect to the new government.

The National Congress will begin its session on next 8 August, that is, in 93 days. The day afterwards, it will elect its new leaders: president, vice-president, secretary and secretary pro tem. And on 10 August, the new constitutional president and vice-president of the Republic of Ecuador, Leon Febres Cordero and Dr Blasco Penaherrera, respectively, will take office. The former will go to the Palace of Carondelet, and the latter to the Office of the Vice-President of the Republic and Chairman of the National Council for Development (CONADE), the state planning agency.

For the moment, after celebrating their triumph at the polls last Sunday, Febres Cordero and Penaherrera will take a rest after nearly 9 months of intensive electoral campaigning.

The losing candidates, Rodrigo Borja and Aquiles Rigail, will also take a rest, and then they will resume their political activity with an eye on new horizons in national life.

8926

CSO: 3348/420

## BRIEFS

FEBRES' ADMINISTRATIVE TEAM--Winning candidate Leon Febres Cordero began to hold private meetings to form his government team, while in journalistic and political circles the names of those who may join the new cabinet began to be tossed around. Sources stated that Febres Cordero will form an economic team of economists and experts who openly advocate classic economics to rehabilitate the productive apparatus. According to these sources, the new general manager of the Central Bank could be economist Carlos Julio Emanuel, current vice-president of the Banco del Pacifico. Emanuel has already been manager of the largest branch of the Bank of Guayaquil. The next minister of finance is reportedly going to be economist Francisco Sweet, who has been linked with Febres Cordero's campaign. Liberal Pedro Jose Arteta could be the minister of industries and trade, say the sources. As for the difficult post of minister of the interior, the job could go to attorney Edgar Teran, a professional from Quito with broad economic knowledge and considerable political abilities. Febres Cordero met with the winning vice-presidential candidate, Blasco Penaherrera, to assess the country's situation after the elections and to discuss the names of those who will join them in their administration. A day earlier, Febres Cordero had declared at a street rally on his behalf that he has no commitments to anyone, neither individuals nor political parties, except to the Ecuadorean people. [Text] [Guayaquil EL UNIVERSO in Spanish 9 May 84 p 3] 8926

BORJA RESUMES LEGISLATIVE DUTIES--Quito--Dr Rodrigo Borja Cevallos, former presidential candidate of the Democratic Left, will rejoin the Plenary of the Standing Legislative Committees, possibly next week, it was learned from sources in that political party. Now that the electoral process is over, having culminated last Sunday with the triumph of the presidential candidate of the National Reconstruction Front, Leon Febres Cordero, and with the second successive defeat in presidential elections of the Democratic Left candidate, Dr Rodrigo Borja Cevallos, the founder of the Democratic Left plans to resume his legislative work in the Plenary of the Legislative Committees as titular spokesman of the Legislative Committee on Civil and Penal matters. He has not legally lost that position. Meanwhile, when the next session begins, the deputy from Tungurahua, Juan Manuel Real, will join the Plenary and the Budget Committee as first alternate spokesman. Real, a member of Popular Democracy, will fill the vacancy left by the late Dr Severo Espinoza, who represented Azuay. [Text] [Guayaquil EL UNIVERSO in Spanish 8 May 84 p 3] 8926

CSO: 3348/420

## GOVERNMENT WORKERS ANGRY WITH WAGE LAG, CAREER SERVICE

Mexico City PROCESO in Spanish No 390, 23 Apr 84 pp 6-8

[Article by Guillermo Correa]

[Text] For the workers in the state's service (over 1.6 million) the increase in prices of gasoline and staple products was the detonator. Staggered work stoppages, collective absenteeism, rallies and no-shows have been and will be the acts aimed at obtaining, immediately and essentially, an emergency salary hike of no less than 60 percent.

All this is also for the purpose of changing the labor policy of the Secretariat of Programing and Budget (SPP), which they accuse of overt aggression against the workers. Thus, the bureaucracy, the government-controlled sector, is threatening to go overboard and is now taking the lead in the population's dissatisfaction.

The authorities, on the other hand, not content with curtailing salaries, are preparing a bill, through the SPP, to establish the Career Civil Service throughout the entire country which, according to the workers, is "extremely threatening to the existence and constitutional operation of the federation's trade unions, in the event that the apathy with which it has been implemented and imposed should become heightened."

In the very department from which the austerity policy is emerging, leaders of the Secretariat of Programing and Budget's workers have disclosed that, "Despite the constantly rising cost of living, we are subject to the salary schedule of May 1982, which even then was inconsistent.

"On that date, according to an example given by an analyst, the real salary was 34,000 pesos per month; whereas, in December 1983, owing to the effects of inflation, it amounted to only 14,870 pesos. In other words, according to an analysis in which we take the data from the Bank of Mexico and the SPP itself as a base, if a 1982 peso (presumably) was worth that much, one peso, in December 1983, because of inflation, it represented 36 centavos. That is, there was a depreciation of 64 percent, which means that, in order to recover

the purchasing power lost through the crisis, we needed a salary increase of the same percentage."

But the demand by the workers in this department was never heeded until they succeeded in putting out a new salary schedule in January 1984. This was devised by the General Directorate of Civil Service which, based upon the internal regulations, is the only administrative unit that has such authority. Nevertheless, the schedule "was not accepted by the Chief Clerk's Office, which has submitted another one in which it takes as minimum salaries the ones that it had set as a maximum in 1982, which have always been exceeded by inflation."

And the most serious thing, according to leaders of 15 of the 25 locals comprising the union, is that this schedule was made for the career service; because it mentions Detenal, a department which went out of existence 5 years ago, and which is now known as that of Geography and Statistics.

But the most ridiculous aspect, they add, is that none exists at present. The one for 1982 remains, although it has been adjusted. "That is why we are asking for a 60 percent hike in our salaries. We have prepared this petition in accordance with official documents, and the authorities have not responded in the same way."

For this reason, the national executive committee, headed by Juan Heliodoro Gomez Olivares, prepared a statement of petition which was submitted to the SPP's senior official, Marcela Gonzalez Salas, on 12 April of this year.

At the outset, the official (according to those interviewed) said that she was aware of the situation, of how difficult life was. "She was reproached, and told that it was impossible to give raises only to the heads of the bureaucracy, but she argued that it was necessary to cope with the market competition. She claimed: 'They will leave if we don't give them a raise.'"

And even scolding the national executive committee, she also asked: "What are you complaining about? The ones in Neza are even worse off, even the farmers; look at them, they are there in Constitution Square (PROCESO No 389). They are really hungry." The leaders remark that she was "giving us the impression that we are in heaven."

In addition to the disrespectful treatment given to everyone by the SPP's senior official, the leaders add that a complaint was brought against Marcela Gonzalez Salas for non-fulfillment of a decree published on 12 January in the federation's "OFICIAL GACETA" whereby the basic salary is granted to trusted workers. Her reply to them was that "every one has his own interpretation." Then she was surprised that, because of their position, assemblies were held in Locals I, III, V, VI, VIII, X, XI, XIII, XIV, XV, XX, XXIII and XXIV and by delegations II, VIII and IX.

#### **Demands of Salinas**

At the assemblies held on Friday, 13 April, it was resolved to demand a salary increase of between 50 and 70 percent, retroactive to 1 January of this year, a demand that will be backed by the following action:



"An official letter reporting the foregoing to the secretary of programming and budget, Carlos Salinas de Gortari, in addition to other demands, such as payment on time and in accordance with the law on overtime; the establishment of bases for and the reclassification of positions; and adherence to the current time schedules and all aspects of the problems relating to the reduction in loans from the ISSSTE [Institute of Social Security and Services for Government Workers]. Individual letters from all the SPP's workers to the head of the latter, insisting on a salary hike. Staggered work stoppages, rallies and no-shows demonstrating in the Square, coordinated by the various locals and delegations."

As for the other demands, the leaders disclose that: overtime is paid for up to 3 months afterwards, sometimes with time, a day off for 10 hours of overtime, or they are simply forced: working overtime is not optional. With regard to the reduction in loans by the ISSTE, they report, by way of example, that for a department with 3,000 workers, only 100 loans will be authorized during the period from April to August. This, they claim, is totally at odds with the law.

But that is not all; because the most regrettable thing, and the seed of the government workers' dissatisfaction is the fact that the egalitarian society preached by the present government has become a myth since the start of the administration. The salaries of the high-ranking officials are irrefutable evidence, in all departments.

In comparison with the meager salaries of the rank and file which, in the case of the Secretariat of Foreign Relations, on its number one level, amount to only 33,305 pesos, the salary of a deputy director is 157,520 pesos, the chief of a department earns an average of 106,880 and a state secretary receives over a million pesos, which is what the president was earning in January 1983. All of this is considering the fact that the officials are given performance bonuses annually (each for a month and a half), apart from their respective entertainment expenses.

Hence the protests from the government workers which, in fact, started at the end of last year, in secretariats such as the Secretariat of Agriculture and Hydraulic Resources (SARH), of Urban Development and Ecology (SEDUE), of Agrarian Reform (SRA), of Health and Public Assistance (SSA), and of Fisheries (SEPES), as well as ISSSTE and others.

Everything revolves around the unfair salary policy. On 16 January of this year, 3,500 workers from SARH's Forestry Undersecretariat (Local 65 of the SNTSARH [National Trade Union of SARH Workers]) held a collective absence and a rally to demand adherence to Article 27 of their General Work Conditions (CGT), an immediate, definitive solution to the lag in their biweekly pay and the establishment of bases for those who are on the payroll (PROCESO No 377).

According to the local's leader, Fernando Ruiz Hernandez, it was the delay in the payment for the first 2 weeks in January and the second part of the Christmas bonus that was the last straw to mobilize the workers, because their dissatisfaction dates back a long while.



For these reasons, the plenum of the executive committee of the SARH Workers' Trade Union, which represents over 170,000 workers, has filed suit against that department in the Federal Court of Conciliation and Arbitration, has announced assemblies and marches and (on Thursday, 19 January) even threatened to go on a national strike.

In the case of these workers, along with those from the SEDUE and the Fisheries Secretariat, the problem is not merely the austerity policy being implemented by the government. It is based on, among other things, the constant attempts to cancel their labor gains made through their General Work Conditions (CGT).

The most clearcut example is the fact that the unions in these departments have managed to have an article included in their CGT whereby their members would not in any case receive a salary less than the minimum one set for workers who are not in the government and, consequently, when a new general minimum wage is set, the government workers would receive the same percentage increase. This is what not has been carried out.

In the Agrarian Reform Secretariat (SRA), the dissatisfaction of its 24,000 workers became evident on 4 April (PROCESO No 388), when their protests were expressed on the 12 floors of the main building, in the capital.

Their demands are: a 70 percent salary raise; an increase of 4,500 pesos in benefits, consisting of aid for rent, transportation, school supplies and other items; respect for and renewal of the pay contract gained in 1979; and reinstatement and confirmation of their base pay for workers who have been dismissed for revolting against their unfair labor relations.

In this department, the majority of workers earn 30,000 pesos per month, whereas any department director collects over 400,000 pesos a month.

In the Secretariat of Health and Public Assistance (SSA), the dissatisfaction for the same reasons expressed this year by the 110,000 workers from that department brought about, on Monday, 16 April, at least a promise: the next week, at the latest, said the senior official, Jose Antonio Gonzalez Fernandez, an announcement would be made of the mechanisms for a salary rescheduling and raise for doctors, nurses, laboratory workers and paramedics.

In the ISSTE, the dissatisfaction also exists among the resident physicians. The reason is that their salaries and benefits have not been brought to the level of those of workers in the Mexican Social Security Institute (IMSS).

#### The Rank and File Are Pressing

Luis Fueyo, secretary general of the Trade Union of Fisheries Secretariat Workers, admits that among the government workers there is the phenomenon that, the rank and file in some, if not the majority of unions, have been getting out of control of their leaders. The problem has not cropped up in

other unions because they have kept themselves in the vanguard. But there is dissatisfaction in all of them over the present economic policy which, if not corrected, will have a very high social price.

And, backed by an analysis prepared by the union that he heads, Luis Fueyo explains: The fundamental result of the crisis has been the intensification of poverty. This phenomenon is associated with the drastic loss of purchasing power that is occurring simultaneously with the grabbing by business owners, who are increasing their profits and bent on reestablishing the conditions for reproducing the system at the cost of the workers' standard of living.

"During the past 2 years, the salary increases have been under the inflation rate. From 10 January 1982 to 31 December 1983, 92.8 percent of the purchasing power was lost. Retrieving it is linked with the unity of the workers and a determined struggle for an emergency hike: During the first 3 months of 1984, inflation rose (based on government data) to 16 percent, an alarming figure."

He adds that the main obstacle to the struggle for the recovery of salaries is the strengthening of the Mexican bourgeoisie, the weakness of the proletariat as a political force and the economic commitments abroad, which have prompted the immediate economic policy. This means that efforts must be redoubled to strengthen the labor movement, to retrieve its political and ideological independence and to create the social bloc of forces that will counter the onslaught of the ruling class.

"It is vitally important, in the view of the CEN [National Executive Committee] of the SEPESCA Union, to remember this political statement; otherwise, we are only creating false illusions and fostering adventurism. The basic requirement is to change the correlation of forces and to accumulate labor power; and this demands a deepseated political disposition and broad, unconditional solidarity."

He emphasizes: "We have not invented the obstacles to justify ourselves; we are open to self-criticism and criticism. The obstacles are public knowledge, and well known. They stem from international conditions."

And he gives a reminder that, on 3 January of this year, the text was released of the letter of intent with the IMF (International Monetary Fund) sent by Jesus Silva Herzog and Miguel Mancera Aguayo, representing the Government of Mexico, to Jacques de Larosiere, the IMF's managing director. Point 23 of it states:

"...23. With regard to wage policy, an attempt has been made to have the increments negotiated on the basis of the anticipated inflation, so as to attain the goals of the program. In 1984, efforts will be intensified to protect the purchasing power of the lower-income groups; the measures will include a redirection of subsidies. Experience has shown that automatic wage adjustments in relation to the price hikes seen in the past are counter-productive; because they have only served to perpetuate inflation and, in

the long run, have eroded real wages. This can only be achieved through the reestablishment of sound economic growth."

There is here (comments the Fisheries Union) a notion of economic policy that has a high social price, which simply means more poverty than existed during the previous "prosperity." This idea is reiterated in the General Criteria for Economic Policy in 1984, a document which was submitted to the Congress of the Union last December, to back the Federation's Law on Income and Budget for Outlays, and which states, among other things:

"This will still be a year of sacrifices, wherein the attainment of goals will demand a careful handling of the development policy."

It says, specifically, that a loss of purchasing power and overt unemployment are two processes which are deeply eroding Mexican society. "Hence, we are convinced that there must be unity and a recovery of the country for the people."

But it is not easy. The recent price hike constitutes "another slap in the face to our already overly reduced family economy." In addition, according to the Fisheries Secretariat Union, equal treatment has not been given to all workers in the state's service. "We have publicly voiced our opinion to the SPP, and have demanded equal treatment. We reject the proposition that there are second-class workers."

As for the Career Civil Service that will be established, the purpose of which is to totally solve the problem that exists in the federal government's administration of human resources, the union charges:

Underlying the "theoretical methodological support" there is a patronizing notion of the workers, seeking to make us mere objects of its program, but without considering us as having the capacity to be active subjects, organized into unions, and capable of participating in the devising of policies that affect us deeply. This is why we are even categorized as "human resources," that must be administered efficiently.

With this basic idea, the SPP is in overt contradiction to our people's individual traits and to the reality that it allegedly claims to be taking into account; because, historically, the trade union movement in our country has made an alliance with the state of revolutionary origin; in other words, "it has been an ally, but not a slave of either old or new experts in the administration of business firms or in human resources engineering."

2909

CSO: 3248/631

## STUDY GRANTS FOR CHILDREN OF PEASANTS, WORKING, MIDDLE CLASSES

Mexico City EXCELSIOR in Spanish 28 Apr 84 pp 5-A, 17-A

[Article by Antonio Ortega]

[Text] The secretary of education, Jesus Reyes Heróles, and the head of the SEP [Secretariat of Public Education], Carlos Salinas de Gortari [as published] have announced that the Mexican Government has not been forced, at a time of crisis, to implement restrictive measures indiscriminately and, along with stringent measures to rearrange the economy, is now expanding educational opportunities, with the Ignacio Ramirez Study Grant Program for 100,000 benefiting students who are children of workers and peasants and from the middle class.

Salinas de Gortari declared: "Our government is taking action with a clearcut social essence, and this is a sign of the alliance between the government of the republic and the workers of the nation." And he remarked:

"The essence of the policy of austerity is to deal in a determined, persevering manner with the economic problems that the country still has, but without failing to heed social issues."

The grants for the entire country will number 99,195, 71,332 of which will be associated with primary schooling, 25,333 with secondary schooling and 2,500 with the training level. The grants will range between 3,000 and 4,000 pesos per month. The total amount that the state will appropriate for this purpose during 1984 will be 3 billion pesos.

The candidates must attest to a minimal academic average of 8 during the current school year; belong to a family with a monthly income not exceeding 1.5 times the minimum wage (30,000 on the average), depending on the region; and prove that he or she is a child of workers or peasants, or a member of the middle class. On this single occasion, the directors of schools on the aforementioned levels will be responsible for proposing the candidates for grants.

The federal government intends to make the first Ignacio Ramirez Grants available before the end of this school year, and will retroactively cover the monthly payments from January to June.

## Social Justice and Equitable Justice

SEP's undersecretary for planning, Luis Medina, noted that, in this way, a mechanism for social justice and equitable justice has been created.

He explained: "An attempt is being made to help the hard-working, intelligent student from the working class, by easing the burden that the latter must assume, and the sacrifice that it must make, to send its children to school. These grants will be a support to the family income."

With regard to social and educational justice, Reyes Heróles commented:

"We would be acting badly if, disregarding the social inequality that typifies us, we were to presume that all students can make optimal use of the knowledge that they receive in the classroom. On the contrary:

"It is our obligation to acknowledge the fact that the children and youth of families of small means tend to accrue lesser benefits from the educational system. It is a widely demonstrated fact that, among the factors outside the educational system which contribute to poor academic performance, little learning and even dropping out is the economic and social status of the student's family."

Reyes Heróles declared: "It has been indicated in the National Development Plan that educational opportunities must be extended to all Mexicans and the causes of failure and drop-outs in basic education must be eliminated. Although it is not the school, nor the method of instruction, nor the student's I.Q. that is the exclusive cause of these problems, and it has been found that the origin lies mainly in the pressing economic neediness confronted by large groups of students, the state must attempt to remedy this situation."

He said that the state is dutybound to make the effort to keep in school those who, for reasons of social injustice, have to choose almost from an early age between their incorporation into jobs or education, almost always having to select the former. He emphasized: "But let it be clearly understood that we must strive to retain those who have shown determination, interest and a suitable performance; because this does not involve distributing funds indiscriminately, but rather doing justice."

He explained that President De la Madrid's government has not forgotten the social aspects affected by the economic crisis and the deterioration that it is causing among extensive sectors of the population. And, together with stringent measures for reorganizing the economy, it has undertaken temporary employment plans, to supplement the real wages or to offer study grants which, as in this case, could serve as genuine pre-wages for those beneficiaries who enter the job market; and, in other instances, as part of the vocational guidance that is so necessary in our time. At this function, held at the SEP's Simon Bolivar Room, Reyes Heróles stated:



"I am convinced that not overlooking these social aspects, in addition to mitigating the effects of the economic provisions, will help in the restructuring of our economy and its return to development; because they are contributing to the formation of the country's cultural assets and in many instances will constitute a genuine intellectual investment." And he recalled an idea of "El Nigromante," Ignacio Ramirez, to the effect that "freedom of spirit is inconceivable without social and economic freedom; because only by ensuring economic rights will it be possible for the freedoms demanded by human dignity to flourish fully." He said: "I believe that this study grant program will contribute to the context of freedom discussed by Ignacio Ramirez, by making freedom and facilities for study available."

At the ceremony, the sentiments of representatives of laborers and workers were immediately expressed by the president of the Labor Congress, Homero Flores, who made the following statement:

#### Encouraging Treading in the Area of Accomplishment

"The historical records regarding denial of and obstacles to access to education for our people are well known, and have been found by all sectors. Among them we could mention regional customs, family problems and quality of instruction. But, in particular, we could mention the socioeconomic problem.

"Today, in our country, we are experiencing difficult times. We have trodden upon a ground that only those of us with the will and effort of good Mexicans can traverse at present.

"We are experiencing realities and situations resulting from the National Development Plan, a theory 19 months ago, a reality now; the result of a coordinated effort and hence, access to this benefit for the working class and the peasants is only logical.

"We are proving, by these actions, that we can now tread on the area of accomplishment, on the area of being able to meet the demands of the low-income sectors of our society, of the most needy. And this represents encouragement to continue ahead, because we realize the great efforts that the federal government is expending to balance the socioeconomic and political factors in our country."

Present at the signing of the agreement was Arsenio Farell, secretary of labor, who said that the study grant program represents the federal government's concern for the social sector, and for the opportunity for educational equality, so as to achieve a more just, more equitable and more democratic society. Also in attendance were the undersecretaries of intermediate education, and technological education and research, Arquimedes Caballero and Manuel V. Ortega, respectively; as well as the undersecretary of elementary education, Idolina Moguel; Sergio Dominguez Vargas, general director of enrollment and study grants of the SEP; Enrique Fernandez Martinez, of CNOP [National Confederation of Popular Organizations]; and others.

2909

CSO: 3248/634



## TREASURY OFFICIAL ADMITS FLIGHT OF 5 BILLION DOLLARS IN 1983

Monterrey EL NORTE in Spanish 10 Apr 84 p 1

[Text] Mexico, D.F., 9 April--Francisco Suarez Davila, undersecretary of the Secretariat of Finance and Public Credit, acknowledged that in 1983 there was a flight of about US\$5 billion from our country.

This occurred in unverifiable fields such as deposits in foreign banks, smuggling and underinvoicing, as well as in payments to suppliers in the open market.

On the other hand the Federal Reserve system of the United States, a body similar to the Bank of Mexico, affirmed in its latest report that deposits by Mexicans in that country's banks reached US\$1.785 billion in the same year.

Suarez Davila, who did not mention the effects of smuggling and underinvoicing on our economy, admitted that the exodus of dollars is partially reflected in errors and omissions in the balance of payments.

Specifically, the last report of the Bank of Mexico records US\$3.2363 billion under the heading of errors and omissions, indicating the payment of liabilities by various Mexican companies to their suppliers through the open market.

Another US\$3.2362 billion comes under the same unverifiable category in the capital account of the balance of payments. However, it includes, on the one hand, deposits made in the United States by Mexicans and on the other, liquid assets in the banking system of PEMEX and other public and private enterprises, as well as the reinvestment abroad of interest and other assets of Mexican residents.

The two sums add up to a total of US\$4.7795 billion, which reveals the foreign exchange flight which cannot be controlled by our government and which is accounted for, in part, by the U.S. Federal Reserve system.

## Incomplete Recovery

For his part Allan Williams, the director of Citibank in Mexico, stated that although the lack of confidence in Mexico has dismissed considerably, there has not been a complete recovery of confidence.

Nevertheless, there is strong interest on the part of the international community, not only in banking and financial institutions but also in the countries themselves, owing to the "very encouraging results, which have surpassed expectations" in the Mexican economy, affirmed the director of Citibank in our country, Allan Williams.

He stated that Mexico may not make immediate use of the US\$3.8 billion in jumbo credit requested from international banks because its trade has generated more foreign exchange revenue than expected and because of the "excellent economic accomplishments." However, the money is available.

In addition he pointed out that international rates will continue to increase, but that this in no way indicates that Mexico will have to alter the strategy of its economic policy.

There would be a collapse, he added, if the rates were to rise more than 6 percent, since such a situation would seriously affect not only Mexico but all nations, developed and underdeveloped, as well as the entire international financial system.

The foregoing would force changes in all the strategies being followed to resolve the crisis that is affecting the entire world, he emphasized.

12351

CSO: 3248/587

## PAN DISPUTES RESULTS OF SPECIAL CHIHUAHUA ELECTION

Mexico City EXCELSIOR in Spanish 26 Apr 84 pp 1-A, 15-A

[Text] PAN [National Action Party] has charged that there was tampering with the electoral list of voters in Ciudad Madera, Chihuahua in the last special elections, and had demanded the formation of a special congressional commission to prove the incidents which "have undermined our social coexistence."

There was a stormy debate in the session of the standing committee on this account, wherein PAN and PRI [Institutional Revolutionary Party] (the latter with the aid of PPS [Popular Socialist Party]) exchanged accusations of cynicism and false statements, while the deputy from the blue and white party, Bernardo Batiz, ironically remarked that, based on the "manipulation of the electoral list," Madera had experienced a tremendous population explosion; because "of the 16,000 originally listed for last year's regular elections, the number jumped to 20,000 in the special ones held on 1 April of this year."

Batiz commented, sarcastically, that within a few months, the small town in the Chihuahua mountains had undergone a population increase that has not been seen even in Ciudad Nezahualcoyotl.

In responding to the charges made by Batiz, Senator Manuel Ramos Gurrion argued that the notarial evidence offered by the PAN member had been certified by a notary public who is "a prominent professional of known PAN affiliation, who has violated one of the legal provisions established in the State of Chihuahua."

And the senator added that this notary "will certainly be subjected to a charge to answer for this violation that he has committed."

Ramos Gurrion reiterated that, "Elections are won with votes, gaining the citizens' confidence," and that when PRI has lost, "it has admitted its defeats and prepared its leaders and strategies to regain those positions."

The senator from Veracruz then recommended that the PAN members prepare for the next electoral contest, "so that we may find ourselves at the election polls again, and so that we may battle looking forward to winning votes";

and he stressed that this is the responsibility of the political parties, rather than "attempting to confuse the public using information that is based completely on documents and processes which conform to the established regulations."

#### Retort from Batiz Vazquez

In his second speech on the platform, Batiz Vazquez said that Ramos Gurrion had "an admirable equanimity and skill in diverting the discussion and leading it in different directions aimed at confusing the public," and that the "threatened notary from Madera was carrying out his official mission upon finding that 500 names included on the Madera electoral list are also on the one for Chihuahua, the capital."

Batiz cited the "cold bloodedness" with which Ramos Gurrion "dares to make certain statements," noting that the PRI legislator has, in fact, implicitly admitted the PAN's charges, giving a reminder that the parties might be registering a larger number of voters, making the retort that "political parties do not exist to register voters."

The PAN legislator stressed that, underlying the entire affair is the tampering with a basic document which should be the foundation not only for the election but also the entire juridico-political structure of a country: namely, the electoral list. "If there is no legitimate electoral list there can be no legitimate elections, and if there are not any, there is no authority and we are living in a de facto state, not a state of law."

In conclusion, Batiz emphasized: "I do want to make it very clear that the threat to the notary for having performed his duty, the threat of punishment to a citizen doing his job, fulfilling an obligation and attesting at the request of another person, means adding yet another even more serious act than the one already committed."

"If an act so improper as that of tampering with the voter's list has been committed, it is even more serious to threaten a citizen who, performing his duty, attests that this tampering took place. If the notary does not attest in the presence of witnesses, there will no longer be a possibility of redeeming this country for democracy. But I am confident that there will be many notaries, many citizens and many witnesses willing to continue on, to redeem Mexico and to establish a real democracy, despite the threats, and despite the danger of losing their jobs or positions, and of being persecuted."

The proposal for forming a special congressional commission to investigate the Madera elections was turned over to the presidency's working committees.

Finally, the PPS deputy, Jesus Lujan Gutierrez, took the floor to make attacks of an ideological nature on PAN, which, he claimed, "pretends to be defending the people, but, on the other hand, is overtly defending management, as in the case of COPARMEX [Employers Confederation of the Mexican Republic], and does not want the law enforced in that specific instance."

2909

CSO: 3248/631

## PSUM TO STRESS GRASSROOTS ORGANIZATION IN FEDERAL DISTRICT

Mexico City EL DIA in Spanish 22 Apr 84 'Metropoli' Supplement p 2

[Article by Angel Aguilar Perez]

[Text] Beginning in May, the PSUM [Unified Socialist Party of Mexico] in the Federal District will hold 16 urban-popular meetings--one for each political delegation--in which neighborhood organizations and boards will participate for the purpose of developing a working program, according to Jose Zamarripa, director of the Urban-Popular Movements Section of the capital city's PSUM.

The first meeting is scheduled for the Iztalapa delegation and the last will be held in the Gustavo A. Madero delegation. Jose Zamarripa explained that the objective is to convince neighborhood residents of the need for participating more actively in the resolution of the main problems about which they are complaining, within the framework of organizations of which they are members.

He said that among the problems to be dealt with are immediate regularization of landownership and simplification of the administrative procedures entailed in all those cases in the process of regularization. Zamarripa added that to this end state appropriation of all lands pending regularization, immediate issuance of possession rights certificates and the elimination of private property titles are being proposed.

It is also being proposed that speculation on regularized lands should be prevented in the real estate market by freezing their assessed values and exercising strict control over commercial transactions. The PSUM proposes the reduction of the excessive costs of real property. It is also suggesting replacement of the official regularization policy which assigns the character of individual private ownership of land by a policy which gives landownership a collective and social meaning.

With respect to urban speculation, Jose Zamarripa said that several proposals have been made. Of these he emphasized the need for controlling the private real estate market, for a limitation on private landownership through promulgation of a law which prevents its monopolization and also for state control over lands improved by public works, forcing their owners to build in short time frames.

Zamarripa said that it is necessary to reinstate Section 12 of Constitutional Article 123 to force landowners to provide workers.

In this regard, he noted that the state had taken a serious step backward when it published a decree in June 1982 by means of which the IMSS [Mexican Social Security Institute] was relieved of the responsibility of keeping rents low in buildings on its land.

He said that because of this decree thousands of families now living in housing developments such as Independencia, Legaria and Santa Fe, among others, find themselves in a difficult situation whenever they sell those condominiums. However, up to now, the IMSS has not publicized the conditions for the sale of those condominiums; but the most serious aspect of the situation is that "the state is relieving itself of the responsibility for providing housing."

8143

CSO: 3248/618



## POLICE MISSION OF CTM POLITICAL COMMITTEES DENIED

Monterrey EL NORTE in Spanish 27 Apr 84 p 7-A

[Text] Mexico, 26 Apr--The Workers Political Committees which are an integral part of the Confederation of Mexican Workers [CTM] definitely do not have a "police" mission as has been alleged by some independent leaders; the committees are merely attempting to train, orient and organize that activity among the CTM rank and file.

This statement was made today by the senator for Durango and chairman of the CTM's National Political Committee, Jose Ramirez Gamero, who reported that this committee was installed today at the national level. It will provide guidelines and instructions for the establishment of more than 12,000 trade union political committees.

The CTM's National Political Committee is made up of Senators Filiberto Vigueras Lazaro, Juan S. Millan Lizarraga and Roberto Ochoa Zaragoza as members and Senators Hector Jarquin, Abraham Martinez Rivero and Refugio Mar de la Rosa as alternates and Deputies Abelardo Carrillo, Guadalupe Vega Macias and Arturo Contreras Cuevas as members and Hilda Anderson, Gerardo Cavazos and Javier Placencia Loza as alternates.

Ramirez Gamero added that the purpose for establishment of the Workers Political Committees is to enable them to assume responsibility for the political activities taking place within their districts. They will continue to have responsibility for workers' renewing their memberships in the CTM, for their families' joining the Institutional Revolutionary Party, for assuring that those who have attained their majority register to vote and attend party functions and for giving them political and ideological guidance at special meetings in every trade union district.

The committees will also be responsible for convening and chairing local political meetings for the purpose of selecting first-round candidates for elective positions, preparing the respective minutes and sending them to the executive committees which in turn will forward the results to the Workers National Committee.

In a related matter, when asked whether the CTM will present candidates for the governorships of the seven states which will have elections this year, Ramirez Camero said that no decision has been made yet, but that doubtless the CTM has capable activists in those states with sufficient standing to seek their governorships.

#### Espionage Committees

For Juan Ortega Arenas, coordinator of the Independent Workers Organization, the CTM proposal to establish 12,000 Workers Political Committees in the country is an effort to set up a "fascist system" in Mexico with groups of "blackshirts or brownshirts," like those which have been active in other countries.

Ramirez Camero said this plan is the result of a feeling that the economic, political and social system is impotent to face the country's present situation; and, therefore, the CTM will resort to political espionage to continue controlling the workers and in this manner to prevent the CTM workers from selling their votes to opposition parties as they did in Chihuahua.

8143

CSO: 3248/618

## DOCUMENTS ON FRAUDULENT UNION, PEMEX DEALS CITED

Mexico City PROCESO in Spanish No 391, 30 Apr 84 pp 30-32

[Article by Oscar Hinojosa]

[Text] On 22 February 1984, the internal superintendent for control of materials and equipment, and dismissals of Mexican Petroleum [PEMEX], engineer Roberto Gascon Rodriguez, handled the invoices for nine trucks and automobiles that the parastate company sold to the oil workers' union on 28 June 1983. The next day, the same official began the very same process for 13 different vehicles sold on 25 October 1983.

These procedures would be part of the administrative routine of a company like PEMEX, if it were not for the fact that the vehicles proved to be cheaper than if they had been sold at the price of scrap.

In all instances, the price assigned to the vehicles was virtually symbolic. This is an example: a 1976 model F 350 Ford truck, of the stake-body type, was sold by PEMEX for 5,000 pesos, 80 times less than the commercial price of a vehicle of this type at the time that the transaction was carried out, based on the table prepared by the EBC Guide, a magazine with specialized information which automobile dealers and insurance companies use as a guide to determine the prices of used vehicles.

Another illustrative case: A 1975 model Volkswagen sedan cost the oil workers' union 5,000 pesos in October 1983. During that month, the commercial price of a vehicle with those features amounted to 160,000 pesos, 32 times more than the figure paid to Mexican Petroleum.

Buying used vehicles from PEMEX is something big, especially if the purchaser is the General Executive Committee, headed by the senator from Tamaulipas, Salvador Barragan Camacho. If not, consider that, when sold as mere scrap, a Volkswagen would have a minimum value of 8,400 pesos (at 12 pesos per kilogram), and a maximum value of 16,000 (at 23 pesos per kilogram), based on the various quotations given to the reporter by the dealers in this business.

Even if the scrap were sold for 8 pesos (the lowest price, the one paid to PEMEX itself), the parastate company would receive a little more (5,600) than what it received in the transactions with the oil workers' union General Executive Committee.

According to the documents that PROCESO has in its possession, the General Executive Committee purchased the following vehicles, among others, from PEMEX:

A 1974 model two-door Volkswagen sedan, for 5,000 pesos, whereas the commercial value was 140,000; a 1976 model F-100 Ford pickup truck, for 26,520 pesos, while the commercial price amounted to 280,000; a 1980 model, cab-chassis type Dodge D-300 truck, for 52,316 pesos, rather than the 450,000 that a unit of that type cost in June 1983, the date of the transaction, according to the EBC Guide.

In those transactions, the General Executive Committee of the union run by Barragan Camacho also purchased a 1979 model F-100 Ford pickup truck, for 42,000 pesos, whereas on the automotive market a vehicle with those features cost 425,000 pesos. It also purchased a 1978 model Dodge D-100 pickup truck for 41,350 pesos, as compared with the 430,000 pesos which was the price in effect on the day of the sale.

In the transaction carried out on 28 June 1983 (recorded in official letter GACS-15-182/83), the General Executive Committee also acquired a 1969 model crane type Mack truck for 80,000 pesos; a 1973 model platform type car carrier truck for 212,500 pesos; another 1973 model car carrier truck, also of the platform type, for 80,000; and a 1975 model five-wheel type Kenworth truck, for 37,500 pesos.

In the case of the vehicles listed in the foregoing paragraph, no mention is made of the commercial prices of the units because, as the EBC Guide notes in all its editions since 1983, "owing to the current market conditions, it is impossible for us to obtain prices of used trucks, chiefly because of the small supply of them that exists."

Included among the 13 vehicles that the General Executive Committee purchased on 25 October 1983 (official letter GACS 15-433/83) were a 1976 model stake-body type F 350 Ford truck, for 6,800 pesos, which would have cost 400,000 on the automotive market; and a 1975 model Ford F 100 pickup truck, for 15,000, unlike the 250,000 pesos that it would have cost on the open market.

There are two other similar examples: For a 1975 model Ford F 100 pickup truck, the trade union group headed by Barragan Camacho paid 15,000 pesos; and for a 1976 model Ford F 350 truck, it paid 8,330. According to the quotations in the EBC Guide, the commercial price of the first vehicle would have been 250,000 pesos, and that of the second, 400,000.

To consummate the transfer of ownership of the 22 automotive units, engineer Gascon Rodriguez requested that, in all instances, "individual invoices be issued in the name of the General Executive Committee" of the Oil Workers Union of the Mexican Republic.

But (according to other official letters in PEMEX's internal correspondence) some private individuals have also taken part in the transactions for buying vehicles from Mexican Petroleum wherein there are clear signs of underselling.

There is the case of Plutarco Donis Hernandez, who paid 251,499 pesos for eight trucks and cars; the vehicles sold by PEMEX were cheaper than scrap alone. For example: a 1979 Ford Fairmont four-door sedan cost Donis Hernandez 10,000 pesos, a price 28 times lower than what a vehicle of this type would cost on the market: 280,000 pesos. The same Donis Hernandez purchased a 1974 Ford pickup truck for 11,000 pesos (the commercial price of a vehicle with similar features would be 220,000 pesos); a 1973 Ford pickup truck for 20,000 pesos (185,000 on the market); and a 1975 Ford stake-body type truck for 30,000 pesos (350,000 in the EBC Guide quotation).

Even if the parastate firm had considered these vehicles to be scrap, the set price for this material is always the lowest prevailing on the market.

Whereas, for every kilogram of scrap from 12 to 23 pesos can be received, Mexican Petroleum receives only 8 and 8.50 pesos, according to another official letter included in the records on which this information is based.

There is the case of the sale of 128,316 tons of ferrous automotive scrap, at the rate of 8 pesos per kilogram, according to official letter GACS-15-579/83, which David Zamora Ramirez, superintendent for control of materials and equipment, and dismissals, signed on 29 December 1983.

The tendency to sell materials owned by Mexican Petroleum at prices lower than those on the market is confirmed by several transactions recorded in different administrative official letters. This inclination was shown by the sale of 2,210 kilograms of copper, for 45 pesos, to Jose Manuel Rios Perez (according to official letter GACS-15-586/83); whereas that material could command a price higher than 100 pesos, based on reports that the reporter obtained from those familiar with that market.

In wording that recalls the television series which makes a parody of fictional spies, the General Superintendency of Purchases for the Industrial Processing Subdirectorates sent the chief of the Administrative Department, Manuel Rincon Alvarez del C. a memorandum to which he annexes (among others) the official letters recording the sale of vehicles and scrap. In the memorandum, dated 7 March 1984, it is requested of Rincon Alvarez del C. that the records "remain in safekeeping until 7 March 1985, and are to be destroyed later."

The memorandum is signed by engineer Jorge Vivanco Andres, superintendent.

2909

CSO: 3248/634

## ALLIED PEASANT ORGANIZATIONS MARCH ON MEXICO CITY

## Grievances Explained

Mexico City PROCESO in Spanish No 338, 9 Apr 84 pp 24-28

[Article by Guillermo Correa]

[Text] Now that the discontent that has caused a resurgence of the independent peasant movement has become widespread, the march for dignity is traversing the country. The peasants and Indians are facing off with one of what they consider their most obvious enemies: the government.

Sixty-five years after the assassination of Emiliano Zapata, says the National Coordinating Board for the Ayala Plan (CNPA), the government as a whole is losing credibility among the peasants; the demagoguery and manipulation are wearing thin; the repressive measures used to subjugate the peasants are becoming ineffective, and discontent is growing

"The demands and methods of struggle are varied, as are the devices that they have used to exploit us. But the struggle for the land stands out now that the State has clearly demonstrated its inability to resolve agrarian problems and its commitment to the large estate owners; now that we have lost patience with and confidence in the endless red tape whose purpose is to keep us waiting and wear us out; now that the government is refusing to meet our demands and instead is protecting what has been plundered from the ejidos and communities and now that the farm crisis that the State has caused is leading us into further poverty and oppression," it states.

These are the reasons for the marches on Mexico City by peasants from at least 14 states. They will culminate this Tuesday the 10th with regional meetings and a keynote demonstration in the capital, where the CNPA's contingents will be joined by the members of the Independent Central Organization of Agricultural Workers and Peasants (CIOAC), the General Union of Workers and Peasants of Mexico (UGOCM-Red), other workers and intellectuals.



The fact is that they have no choice but to unite. They picked 10 April because this is the date on which "politicians and wealthy estate owners celebrate the murder of the caudillo from the south. We want to show the world that Zapata lives and that his demands for justice, land and freedom still stand."

People from the four corners of the country are uniting in their grievances. "We are staging this demonstration of unity in the midst of an economic crisis that is jolting society, making life miserable for the workers and making it seriously worse for the peasants, even though they are not the culprits in this grave situation."

Those who are petitioning for land under these conditions are seeing their hopes fade and coming up against countless obstacles to the transfer of the plots for which Zapata and his followers shed their blood

"Our country's governments have organized, financed and protected the official peasant organizations and are persecuting and repressing the democratic and independent ones. This has had serious consequences. They have not put an end to our agricultural backwardness, to inequality and to the chaotic land tenure situation and they refuse to register the farm workers unions

"From the administration of Plutarco Elias Calles to the current one, they have said that they are going to complete the land distribution, but events have demonstrated how false those assertions are. There is still a heavy concentration of land in a few hands, while millions of applicants have none."

The peasants' grievances are: an end to the current administration's policy for peasant farmers, mainly the recent amendments to agrarian legislation, and the transfer of land.

They are struggling to secure the loans and equipment they need to produce, against restraints and their subjugation to private and State enterprises, for higher wages and support prices, for an end to the repression, for respect for democratic freedoms and for the right to organize in the fields

Above all, however, they are demanding an overhaul of agrarian policy that will lift the peasants up from ruin, because it is a fact that the foreign transnational monopolies can charge whatever price they feel like for the farm machinery and the foodstuffs that they control, process and market, that they can plunder the country with impunity, without the government curbing or squelching their greed.

The CIOAC speaks out against this in a document submitted to the president's agricultural cabinet. It cites these two examples. A 261-gram package of Bimbo pound cake has a price tag of 65 pesos; a kilo would thus cost 260 pesos, which is equivalent to 260,000 pesos a ton. The support price for a ton of wheat is 18,200 pesos. The difference is 241,000 pesos or 1,328 percent.

A 225-gram package of "Sabritas" potatoes costs 190 pesos; this is equivalent to 845 pesos a kilo and 845,000 pesos a ton. The government pays peasant farmers an average of 5,000 pesos a ton. The difference is 840,000 pesos or 16,800 percent. Subtract the costs of processing french fries and you will see the astronomical profits.

Furthermore, the CIOAC argument continues, a few days ago the government authorized a 40 percent increase in the price of cooking oil to 172 pesos a liter; the support prices of oilseeds were not boosted a single centavo, however, in spite of the requests to that effect.

"This benefits only the transnational monopolies, such as the dreadful Anderson and Clayton and others. In 1976 (before the devaluation), a liter of oil cost 10 pesos. The price has risen 1,620 percent."

Another absurdity, the document notes, is "the erroneous policy of spending 1.45 trillion pesos this year to import grains, according to data from the Secretariat of Programing and Budget, when this money should be earmarked for loans to ejido and commune farmers, who would then grow the food that we now buy mainly from the United States "

In the judgment of this organization, the support prices are at least 1,002 percent too low. From this stems the critical situation besetting most of the country's peasants, especially those who farm unirrigated land. Take Yucatan, for example.

In this state, Banrural provides 33,135 pesos per hectare in loans. The average output in the region in question (the south) is a ton and a half per hectare. With the corn support price at 19,200 pesos, a crop brings in 28,000 pesos, which is not even enough to pay back the seasonal credit that Banrural has granted. There is a debt of 4,335 pesos left over. In other words, there is not a single centavo remaining to support a family.

"How can anyone live this way? This erroneous policy is why the greater the country's population, the less food it has. A farm production crisis, grain imports to meet the people's needs, a poor use of foreign exchange, foreign borrowing, devaluation of the peso, inflation and everything else that we're paying for."

The most serious development is "the reactionary attacks on the ejido and the government's moves to destroy it. This is only further aggravating the crisis and the impoverishment. This is the reason for our rally to denounce the discriminatory policy of plundering and further impoverishing the peasants, even at the risk of enduring the government's customary response to agrarian struggles: a crackdown, imprisonments, murders, etc, as in Chiapas, Tabasco, Tamaulipas, Sonora and other states in which we have people in prison, even in the Islas Marias."

Thus, followed by cars without license plates driven by agents and hounded by police detachments, peasant farmers from the states of Chiapas, Oaxaca, Puebla, Tlaxcala, Veracruz, Guerrero, Morelos, Michoacan, Mexico, Sonora, Nayarit, Jalisco, Guanajuato, Chihuahua, Coahuila, Zacatecas and Queretaro, among others, have been heading to the capital since 27 March to talk with officials in the secretariats and agencies that deal with their problems.

Threats no longer matter. Women, the elderly, even children have been organized by the CNAP and have come to the capital prepared to publicize the tragedy of their lives, which has always been ignored. If others are tired of their complaints, they themselves are even more tired of their lot. In Chiapas, for example, the Emiliano Zapata Peasant Organization (OCEM) says that the governor general, Absalon Castellanos Dominguez, merely says that everything is going to be taken care of under the law, and that's as far as it goes. The agrarian formalities do not move forward; no solution is forthcoming. The governor's right-hand man is the government secretary, Javier Coello Trejo, who is the person who really governs the state.

A 12-year prison sentence has just been upheld for Victorico Hernandez and Agustin de la Torre, who have been in jail since the administration of Juan Sabines Gutierrez. There are 180 arrest orders out for that many Venustiano Carranza commune members. Peasant leader "Chema" Hernandez Martinez has already been arrested, while persecution of the state's Indians continues.

In Morelos, the CNPA reports, the community of Tetelcingo, Cuautla was attacked on the afternoon of 22 March by close to 500 judicial, municipal and rural police agents, a shock force that was transported in army trucks.

"According to the authorities, the objective of the operation was 'to halt the agitation' that has arisen in the Indian community because of the widespread discontent prompted by the announcement that 800 hectares of land would be expropriated from them to build an airport" (PROCESO, No 387).

The Popular Front of Zacatecas (FPZ) is taking part in the march because of the attitude of the current governor, Alejandro Cervantes Corona, who refuses to negotiate and has chosen to evict peasants from spots such as Retono. It is also a response to the anti-agrarian stands of the Secretariat of Agriculture and Water Resources (SARH), the Secretariat of Agrarian Reform (SRA) and the Banrural.

The march is the way that the Independent Revolutionary Peasant Coordinating Board of Sonora (CCRI) is responding to the many large estates and to the exploitation of the day laborers in the state. This is also the grievance of the Union of Independent Ejidos of Sinaloa (UEIS).

As far as the Union of Emiliano Zapata Commune Members (UCEZ-Michoacan) is concerned, repression is widespread in the country. The CNPA march is needed right now because agrarian policy has hardened.

"The situation is touchy because the crisis has not led directly to the strengthening of the organizations; in fact, it has weakened them somewhat. Basically, the CNPA has a very realistic view of the situation and of the scope of the problems. We know that we have to make an enormous effort for this national march and that we are not going to wring any changes out of the government. But the rally is important so that the maneuvering room of the democratic struggle for the land does not shrink. This is fundamental."

As far as the rally's prospects are concerned, the 19 organizations that make up the CNPA agree on this: the government has pursued a basically hardline policy towards our movements. But they have enabled us to free many of our comrades from jail and we can also say that they have helped greatly to frustrate the attempts to stop land distribution

"Today, under Miguel de la Madrid's administration, we peasants are feeling the effects of the worsening economic crisis, in the form of tighter credit and smaller social benefit programs, higher unemployment, a mounting offensive by the landowners, the strengthening of bossism and opposition to our existence."

For all of these reasons, this 10 April "we want to echo the cry of land and liberty," a demand that was voiced so many years ago.

#### Rally at Zocalo

Mexico City EXCELSIOR in Spanish 11 Apr 84 pp 10-A, 11-A

[Article by A. Sepulveda and Ignacio Herrera]

[Text] Some 10,000 peasants from 21 states around the country, supported by a bit more than 15,000 members of independent organizations, students and teachers, marched yesterday through the city's main streets to protest "the government's anti-agrarian policy," staged sit-ins and gatherings outside government offices and from 1000 to 2000 hours caused one of the biggest traffic tie-ups in recent years.

The caravans of peasant farmers arrived in the capital yesterday morning after a trek of several days. They entered along Tlalpan Avenue, Ignacio Zaragoza, Vallejo, Misterios and other major arteries and gathered at the Monument to the Revolution and outside the Agrarian Reform Secretariat building

The peasants and the groups that backed their demands for a "parceling out of large estates, an end to the repression, timely loans and the release of imprisoned peasants," concluded their activities with a

rally at the Zocalo that lasted from 1800 to 2010 hours and at which they decided that they would meet again there today "and until they resolve our problems "

The personnel from the Secretariat of Protection and Roads were somewhat responsible for the traffic chaos because they proved unable to direct the marchers in an organized fashion and to forestall the traffic congestion, which affected thousands of motorists.

One of the peasant columns remained for 4 hours (from 1200 to 1600 hours) outside the offices of the Agrarian Reform Secretariat, where they were calling for a meeting with its top official, Luis Martinez Villicana, who in statements to the press at noon said: "With or without marches, the SRA listens to, deals with and resolves the problems of rural areas. The audiences here are for all peasant farmers "

Speaking at the rally at the Zocalo were Ramon Danzos Palomino, a CIOAC leader; Alejandro Gazcon Mercado, a leader of the UGOCM-Red; Jose Gonzalez Figueroa, from the National Coordinating Board of Education Workers; peasant farmer Caralampio Gomez, representing the CNPA, which organized the march, and the secretary general of the Labor, Peasant, Student Coalition of the Isthmus (COCEI), Deputy Hector Sanchez.

Except for a few minor incidents, everything proceeded normally. The demonstrators spent the night in private homes and organization buildings and will return to the Zocalo today at 1000 hours. SRA officials met with a delegation of peasant farmers last night.

Speaking at the gathering outside the National Palace, the leaders of the rural groups demanded the apportionment of millions of hectares of land "that landowners and bosses are in possession of," higher support prices for farm products and other aid for the sector.

They indicated that they brought 651 files of pending agrarian proceedings from 21 states. Owing to the interests of landowners and officials, they asserted, none of them have been resolved.

The worst traffic jam was along Fray Servando, where the contingents of peasants arrived at noon, remaining outside the Agrarian Reform building until 6 in the evening and blocking the street.

Also taking part in the demonstration at the Zocalo were activists from the Unified Socialist Party of Mexico, university unions and blue-collar worker and settler groups.

The streets near the avenues that the demonstrators blocked with their marches or sit-ins were unable to handle the traffic detours smoothly.

The peasants carried placards protesting their woes. One of the demonstrators, Gabriel Angel de la Torre, 25, was run over by a car at the corner of Moneda and Seminario, the police reported. On Reforma

Boulevard and Insurgentes Avenue, students from the Tacuba Popular Preparatory School and peasants from Michoacan broke the windshield and other windows of a car and smeared it with paint, the police added.

Caralampio Gomez, representing the CNPA, asserted at the rally at the Zocalo that "those who murdered Emiliano Zapata are still the unlawful owners of the land "

The agrarian leaders asserted that there is increasing poverty in the countryside, where peasants barely manage to eke out a living from their crops. Day laborers are exploited as if these were colonial times, earning 50 to 100 pesos for 12-hour days.

The president of the Union of Coffee Growers in the northern Puebla mountain range, Raul Velazquez, said that the costs of growing the crop exceed the support prices. The big buyers are the ones who profit.

#### PSUM, PRT 'Intervention' Rejected

Mexico City PROCESO in Spanish No 389, 16 Apr 84 pp 29-31

[Article by Guillermo Correa]

[Text] Neither the government's indifference nor its harassment and repression nor their own weariness prevented peasant farmers from all over the country from gathering to celebrate the 65th anniversary of Emiliano Zapata's assassination at Constitution Square, where they ceaselessly repeated their demands for justice and freedom.

Organized by the National Coordinating Board of the Ayala Plan, the peasant rally went on in spite of the meddling of the Unified Socialist Party of Mexico and the Revolutionary Workers Party (PRT), which tried to turn it to their own benefit.

Harassed by police forces and the gunmen of local bosses during their marches from Chiapas, Chihuahua, Michoacan, Las Huastecas, Veracruz, Hidalgo, San Luis Potosi and Tamaulipas, among other states, the caravans of ejido farmers gathered in Mexico City on Tuesday 10 April, staging sit-ins and simultaneous rallies in their places of origin to pressure the authorities into resolving the problems arising from the plundering of their lands and the jailing of their leaders, to demand favorable rulings on 650 backlogged cases and to call for a new Federal Agrarian Reform Law that would fully safeguard their rights.

The columns from the southeast were the first to arrive. All of them had problems. We can cite the example of the caravan comprising peasants from Guerrero and Morelos. Xoxocotla, a Morelos town of some 20,000 Indians, still remembers the experience.



Chosen as part of the itinerary for the CNPA-organized march, the town offered its solidarity on 5 April in the form of food and a cultural event to welcome the peasants who were marching to the capital and planned to spend the night there.

That same day, PRI held a rally there in connection with its 12th state assembly. It brought in people in 12 buses; many of them were state government employees. There was also a large show of police force. A large PRI banner read: "No to violence. Unity in dealing with the institutions."

The CNPA marchers arrived in the town square at 2000 hours. According to testimony, state security personnel began arriving immediately, close to 80 vehicles carrying judicial, rural and preventive police agents.

The police cordoned off the square, where around 1,000 people had gathered. They gave them 10 minutes to vacate the premises, calling on the Indians to return to their homes and the marchers to go back to Guerrero. The peasants demanded their rights: freedom of assembly and expression. They rang their bells and succeeded in bringing in 5,000 of their comrades.

The police then broke through the cordon. There were scuffles and arrests. Nine marchers were taken off to two vans as the people shouted their opposition to this arbitrary action and demanded their release.

The Indians hurled rocks as the paddy wagons started up. Shots were fired to intimidate them, and the wagons finally managed to make it through, hauling off the detainees to the Cuernavaca preventive jail, where they were brutally beaten and threatened.

Two judicial policemen were unable to escape, however. Detained by the people, who had already erected makeshift barricades, they were released in exchange for the peasants, who were locked up until 7 the following morning. At the town's request, a document formalized the exchange. The townspeople had also taken over the municipal assistant's office.

A religious ceremony followed the exchange. Speakers justified the people's action and denounced the government, which in reprisal has closed down the CONASUPO [National Company for Basic Commodities] store that serves Xoxocotla. There are rumors that their water and electric power will be cut off.

The members of the Emiliano Zapata Commune Union also had to put up with many provocations during their march. Headed in Michoacan by Efren Capiz, it says that in San Felipe de los Alzati some trucks even tried to run them down, "aside from their trying to starve us to death."

The peasants were persecuted before, during and after their march. On 11 April, Chiapas Public Security policemen and a group of small landowners, led by Javier Trejo Ramirez, fired machine-guns at ejido farmers from La Pimienta in the municipality of Simojovel, killing Fernando Sanchez Gutierrez and Juan Lopez Hernandez, both of them CNC activists, and wounding some 30 other peasant farmers.

As had been expected, they began arriving in the nation's capital on the morning of 10 April. The Revolutionary Peasant Alliance (ACR) and the UCEZ got to Constitution Square at noon. For 2 hours they spoke out against "this administration's anti-agrarian" policy. They then chose to do likewise outside the Agrarian Reform Secretariat, which barred them from entering.

At the same time, groups representing the CIOAC and the UGOCM-Red left the Monument to the Revolution and joined the CNPA outside the Agrarian Reform Secretariat, from where they then headed on to the Zocalo.

Some CNPA organizations, mainly the strongest ones such as the UCEZ and the ACR, looked askance, though, at the more than 20,000-person contingent, which had been joined by groups of supporters, including students, members of STUNAM [Trade Union of the National Autonomous University of Mexico], residents of low-income districts and workers, and they chose not to accompany them, arguing that their rally had been in the morning and that they were not prepared to march with the PSUM and PRT, whose colors were conspicuous during the demonstration.

The ACR spelled out its position; first of all, it stated, the CNPA proposed, organized and brought off the entire caravan-march to the Federal District.

"We are not in agreement with this," they added, "because all it does is confuse public opinion, which for days now has been strongly behind the CNPA. The political parties have tried to make this grist for their own mill."

"We feel," ACR spokesmen Juan Ortiz argues, "that the political parties are being left behind by the masses, both in the labor unions and in the peasant organizations, because theirs is an electoral approach and ours is completely different."

The criticism does not stop there, however. "The PSUM is an opportunist organization," the ACR asserts, "that adapts readily to the government's demands. In any event, it is interested in selling out the movements, not in waging an independent struggle. The vanguard of the Left is the masses, not the parties or the Chamber of Deputies. This is why STUNAM decided to throw the PSUM out."

"We do not care whether a leader belongs to a political organization. What we reject is when the parties try to manipulate the CNPA. They regard it as booty and would like to capitalize on its strength, which we will never allow." They then clarify: the CNPA is a coordinating board in which each federation is free to enter into alliances. Thus, some peasants decided to go with the PSUM and PRT to the Zocalo and others did not.

The march wore on. The caravan of marchers shouted their denunciations and demands in the city's main square. Constitution Square was almost full that night. Some of the principal speakers who mounted the moving van that served as a makeshift dais were Ramon Danzos Palomino, Alejandro Gazcon Mercado and Hector Sanchez, a deputy representing the CNPA's COCEI.

Danzos, an experienced leader, said: "...the repression has been constant. Zapata, Villa, Primo Tapia, Jose Guadalupe Rodriguez, Ruben Jaramillo, murdered because they demanded the sacred right to give the land to the people who work it...We have seen reactionary policies since Miguel Aleman, who amended Article 27 to destroy the ejido and the community.. Miguel de la Madrid Hurtado makes changes to expand capitalism in the countryside.. Several governments have said that the apportionment of land is over ..They are lying. ."

Hector Sanchez then called for restraint, as some demonstrators were trying to paint slogans on the walls of the National Palace. He asked them to say no to provocation.

The CNPA staged another sit-in at the Zocalo a few days later to pressure the authorities to resolve its problems, even though Luis Martinez Villicana, the head of the SRA, agreed on the night of the rally to negotiate with the group. Beforehand, naturally, he voiced his opposition to the peasant farmer rally.

"These marches," he said that day, "only cost the peasants a lot of money and cause all sorts of disruptions in the city." He also clarified that "the Agrarian Reform Secretariat is always willing to engage in a dialogue with the farmers, whom it is obliged to give consideration to without their having to resort to rallies, marches and sit-ins."

"That's right," argues the CNPA's Efren Capiz; "it receives us, it listens to us, but nothing gets done."

8743

CSO: 3248/616

EPISCOPAL OFFICIAL, PASTORAL COMMISSION VIEW RURAL SCENE

Mexico City UNOMASUNO in Spanish 11 Apr 84 p 6

[Article by Teresa Gil]

[Text] The peasant marches reflect the discontent in the countryside, said the executive secretary of the Episcopate's Mass Media Department, Francisco Ramirez Meza, in analyzing the protests yesterday on the anniversary of Emiliano Zapata's death. The prelate asserted that the countryside is being increasingly neglected when it ought to be a top priority in today's crisis.

He stated that the impoverished, underprivileged conditions in which millions of workers and peasants live have made political manipulation possible and that conditions are placed on loans and grants of work tools.

The peasant farmers have suffered great injustice because they have not had access to comprehensive training. He contended that the government must investigate this situation thoroughly because it cannot call for calm and hard work when elementary requirements such as land tenure standardization and basic inputs are lacking.

In turn, the Indigenous Pastoral Commission maintains in a document that most of the five million peasants who do not own land are Indians. "This is due to the initial plundering during the conquest and the colonial period, which continues today in the form of production and loan programs and alliances, for example."

It spells out how the peasants are exploited and the poverty-stricken conditions in which they live, as farm production costs have risen almost 800 percent over the past 7 years.

It also mentions how the system is constantly using them to lend itself political legitimacy and how their organizational efforts are scotched when they are truly their own. Ramirez Meza cited the case of Juchitan in this regard.

Stating that the peasants' demands must be looked into thoroughly, Ramirez Meza explained that through its Indigenous Pastoral Commission the Church has proposed a series of programs for the countryside that not only involve religious work but also focus on the most pressing needs of the peasant families.

The spokesman was asked about the changes that might be made in local Catholic organizations under the reforms that Pope John Paul II has enacted in the organization of the Curia. He replied that major changes were already made in 1967 and that the ones introduced this week spell them out more clearly. But nothing has changed, he asserted. "The pope is still the head and the sovereign of the Church "

8743

CSO: 3248/616

## ARCHBISHOP CORRIPIO URGES CALM, REJECTION OF VIOLENCE, HATE

Mexico City EXCELSIOR in Spanish 16 Apr 84, pp 4-A, 23-A

[Article by Salvador Martinez Garcia]

[Excerpt] A call for the maintenance of calm and faith in the midst of the problems caused by the economic crisis and the continued price increases has been made to Mexican Catholics by Ernesto Corripio Ahumada, the archbishop primate of Mexico. He recalled: "The church has always rejected violence, conflicts, and hatred as solutions to our problems."

As the celebration of Holy Week began, with the procession and mass on Palm Sunday, the leader of the Catholic Church in Mexico pointed out in an interview that "those at the upper and lower levels of society should understand that above personal or class interests are the interests of the whole community."

In his homily at the concelebration of mass on Palm Sunday Archbishop Corripio Ahumada asked the 1,000 faithful at the metropolitan cathedral not to lose heart when faced with the problems of daily life and to maintain the love which Christ left to us.

He indicated that seeking the true well-being of the national community and of all the people implies, above all, attending to the needs of those most afflicted by the crisis and by unemployment.

Speaking in concrete terms on the recent price increases on articles of basic necessity, he stated: "We suppose that those price increases were a consequence of national economic needs and the needs of the community itself. However, we must understand that those who have resources must share them with those most affected by the crisis."

Archbishop Corripio Ahumada also referred to the religious sense of the celebration of Holy Week, which should signify a kind of parenthesis in the midst of the ordinary life of the people, to be dedicated to thinking of spiritual, supernatural, and moral values.



He added that we should begin with the love which God showed to the rest of us in sending his son as our savior. We should translate this into the love and solidarity which should exist among all mankind.

#### Catholics Only in Name

He asked about the appropriateness of what many people do during this holiday period, amusing themselves instead of occupying themselves with the reflection and meditation recommended by the church. He wondered if this was an example of losing one's faith.

He answered his own question, stating: "They are not losing their faith. Rather, because they know little about their faith, many Catholics do not know how to appreciate true spiritual values these days."

He said that, furthermore, there are many people who are Catholics in name only, who know little about their Catholic faith, and who make little effort to make up for their ignorance of religious matters. They think that all you have to do to be a Catholic is to be baptized.

Archbishop Corripio stated that in the church "all of us have been baptized and to all of us belongs the responsibility for spreading the values of our faith. However, many of us wish to be guided by the material values of relaxation and comfort, and not by the elevation of our spirits."

5170

CSO: 3248/607

## POLL: NORTHERNERS' OPPOSITION TO BANK NATIONALIZATION STRONG

Monterrey EL NORTE in Spanish 23 Apr 84 p B-1

[Text] A year and a half is sufficient time (with the first impact caused by the decree forgotten) to assess the effects of the bank nationalization on public opinion.

This period of time has enabled the residents of Monterrey to "compare" the services being rendered by the banks with those rendered prior to the nationalization, and to express a more objective and fair opinion than that given a few days after the transfer of the banks from private hands to those of the government was ordered.

And specifically to learn the opinion of the users of this service, EL NORTE conducted an investigation in several banks in the metropolitan area, interviewing the city's account-holders and investors.

A total of 77 percent think that the bank nationalization is not helping Mexico to be a more prosperous and developed country.

This opinion is even more negative than the one held at the beginning; because when users were asked (during the first days after nationalization) whether they thought this measure would benefit customers or not, 62 percent said that they believed, at that time, that the change would be detrimental, and 21 percent expressed indifference.

The confidence factor is among the most important points when an opinion is expressed on nationalization. The poll shows that, at present, 45 percent have less confidence in the banks, and 47 percent note that their confidence is the same; whereas only 8 percent thought that the banks were more reliable in the government's hands.

Another important factor, when discussing the banks, is the efficiency and speed of the service. In this regard, 52 percent thought that they have remained the same both before and after the measure, 40 percent claim that they have worsened and 8 percent think that the service has improved.

The union organization of bank employees is one of the issues causing the greatest controversy when nationalization is discussed.

When asked about the effect that the union organization might have, 52 percent expressed pessimism, indicating that this measure would have negative effects.

Of the others, 17 percent said that it would have positive effects, 19 percent expressed indifference and 12 percent noted that they did not think it would have any effect.

In whose hands should the banks be? In response to this question, 49 percent said that they should be controlled by both the government and private entities, in equal shares; 43 percent commented that the responsibility should be transferred back to private hands and 8 percent said that they should be left in the government's hands.

Do you think that the bank nationalization is helping Mexico?

Yes: 23%

No: 77%

When the nationalization was decreed, did you think that the change:

Would benefit the customer: 17%

Would be insignificant: 21%

Would harm the customer: 62%

Do you have more, less or the same confidence in the bank of which you are a customer?

More: 8%

Same: 47%

Less: 45%

Have the changes in interest rates (from the time of the nationalization to date): \*

Benefited you: 19%

Harmed you: 24%

Neither benefited nor harmed you: 25%

Don't know: 5%

How have the service and attention to the customer changed, insofar as speed and efficiency are concerned?

Improved: 8%

Same: 52%

Worsened: 40%

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\*Note: The percentages do not total 100, because the answers from those without accounts were excluded.

Do you agree that bank employees should become organized into unions?

Yes: 24%

No: 48%

It doesn't concern me: 28%

Do you believe that the bank employees' organization into unions will have an effect?

Positive: 17%

Negative: 52%

Will not have any effect: 12%

It doesn't concern me: 19%

Does the banks' future lie in the hands of the government?

They will improve: 14%

They will worsen: 65%

They will be the same: 21%

The banks should be managed:

By the government: 8%

By private entities: 43%

Both, in equal shares: 49%

Investigation by: Alberto Ferreiro, Luis Gonzaga, Guillermo C. Cortes and Arturo Anza.

2909

CSO: 3248/617

## OFFICIAL ACCOUNT OF CHIAPAS RURAL VIOLENCE CHALLENGED

Mexico City PROCESO in Spanish No 390, 23 Apr 84 pp 27-30

[Article by Candelaria Rodriguez]

[Text] Simojovel de Allende, Chiapas--In the mountains of this town, which is part of the region of Los Altos de Chiapas, with 16 Indian municipalities, there is no sleeping. Day and night, the messengers run along the roads from one community to another, to warn of the arrival of the public security forces. This how how the Tzotziles have organized themselves to repel the police and landholders who are again threatening to evict them from their land.

This is the response from Governor Absalon Castellanos Dominguez to the demands for justice, apart from the fact that he is violating the non-aggression agreement made with the participants in the peasant march of October 1983.

Ernesto Lopez, an Indian leader from the area, charges: "The situation now is very difficult. We can no longer put up with the threats, beatings and bullets from the police and the landlords."

Peasants from the CIOAC [Independent Central Organization of Agricultural Workers and Peasants], the OCEZ [expansion unknown] and even the CNC [National Peasant Confederation] itself in Simojovel have been punished and oppressed for the mere crime of recovering their land. The list is long: Vergel, Paredon, La Ilusion, Zacaton, Tres Casas, Pechuag, Jotolchem, La Pimienta, Galeana, San Antonio los Altos, Arrayan, El Amparo, Concepcion, Cacaos, Buena Vista, Santa Anita, etc.

The government's policy reached its most violent phase with the assassination of two peasants from the La Pimienta communal farm (Fernando Sanchez Gutierrez and Juan Lopez Hernandez), who were killed at the hands of the police forces in Jotolchem.

This is the story:

On the morning of 11 April, the peasants in Jotolchem, members of CNC, were informed that 40 members of the State Public Security and eight armed landowners would be arriving in the community "to evict the invaders." The news

frightened the residents, who had already learned about other attacks in various regions. A messenger from the community immediately went to ask for help from the La Pimienta peasants, also CNC members. However, when the latter arrived in Jotolchem, its inhabitants had fled to the mountains.

At 1400 hours on that same day, the police arrived, accompanied by the landlords. The La Pimienta peasants who had reached Jotolchem a few minutes earlier decided to talk with the public security force; many of them had left their machetes behind, so as to avoid any act of provocation. But they were greatly surprised when tear gas started to be sprayed at them and, later, they were shot at with firearms.

Juan Lopez Hernandez died instantaneously, after one of the landlords shot him. Fernando Sanchez Gutierrez' death was more cruel: While two policemen held him by the arms, the lieutenant from the detachment fired at him from 2 meters away.

There were wounded as well: 28 in all. Four of them (Roman Perez Rojas, Rafael Hernandez Perez, Miguel Perez Diaz and Andres Gonzalez Ruiz) were taken to a hospital in serious condition, under State Judicial Police guard.

The Castellanos Dominguez government, in its eagerness to justify the policy of intervention and not be held responsible for the assassinations of the two peasants, issued a press bulletin through the News Media Directorate, stating in its first paragraph: "Peasants from the Jotolchem communal farm and La Pimienta, goaded on by leaders of the CNPA [National Coordinating Board for the Ayala Plan] and PSUM [Unified Socialist Party of Mexico], Sebastian Perez Nunez, Enrique Lopez Ruiz and Luis Lopez Vazquez, came into confrontation with another group of Indians from Las Palmas, in this municipality, whom they were trying to evict from their land in a premeditated invasion."

And the bulletin adds: "The action of the CNPA and PSUM-affiliated communal farmers from Jotolchem and La Pimienta, namely, the invasion, had been known 24 hours in advance, because they were summoned over a sound system by the leaders of both organizations to carry out the invasion."

But the bulletin contains serious contradictions. First of all, Jotolchem and La Pimienta comprise collective lands belonging to the CNC, something which was confirmed a day after the attack by the very leader of that organization in Chiapas, Oscar Ochoa Zepeda. Furthermore, the communique reflects a total ignorance of the problem in the area or, what is even worse, a premeditated misrepresentation of the facts that could justify the apprehension of the aforementioned leaders, belonging to the Independent Central Organization of Agricultural Workers and Peasants.

Two days before the incident, on 9 April, peasants and Indians from La Pimienta, Jotolchem, Galeana, Virginia and Berlin, all members of CNC, had taken part in a march seeking to reach the state capital, where they were to demand of the state governor the withdrawal of police from Simojovel, and the turnover of



the land requested by the peasants. The march was dispersed by the police, near Chiapa de Corzo. Only representatives of the communities managed to reach the capital.

The following day, 10 April, contingents from the CNPA, CIOAC and CNC marched to the municipal capital of Simojovel with the same demands, backing the mobilization being held the same day on the national level. Rallies were also held in the municipalities of Venustiano Carranza and Comitán.

On 11 April, the government's response arrived: the assassinations of the Jotolchem peasants.

In view of the violence, the Indians have decided to engage in a series of acts in repudiation of the state government's policy. During Holy Week, they did not allow the landowners to attend the church in Simojovel where they were praying for the assassinated peasants. And absenteeism has been announced for 50 communities, to demand of the governor compensation for the relatives of the assassinated peasants.

The poverty conditions in which this region's Indian population is living have become constantly worsened, owing to the systematic oppression that has been imposed, comparable to a virtual martial law in certain settlements. The peasants, who usually spend their time on their cornfield activities, are now spending most of the day waiting for the public security forces.

Furthermore, the isolation, keeping people within bounds and "droit du seigneur" are everyday occurrences on the estates of the large landholders: Trejo, Hidalgo, Anzures, Flores, Masson, Zuniga, Penagos, Del Carpio and Vallinas, who have retained their economic and political power in the region and the state for decades.

The region's problems (over-exploitation of the isolated farmhands, hoarding of land, inadequate communal farm supplies and the violent atmosphere) have, strangely enough, worsened with the Itzantun hydroelectric dam project and the discovery of large oil-bearing strata. The dam alone will flood 11,000 hectares of the area's best land.

According to anthropologist Ana Bella Perez Castro, the peasant movement in the region is divided into two phases: "The first one covers 1934 to 1969, starting with the recognition of the isolated farmhands as subjects with agrarian rights. The second phase, from 1970 to 1978, is typified as a movement of communal farmers, isolated farmhands and requesters of land."

Perez Castro makes a chronological compilation of the 1914 counterrevolutionary movement led by Gen Alberto Pineda, in Los Altos de Chiapas, and Gen Tiburcio Fernandez, in El Grijalva, the state's central region, "both from the landholding bourgeoisie." She also notes that the working population which was living on the estates (isolated farmhands) remained in its same state of bondage, indifferent to the struggle that was being generated all over the country.

And she underscores three all-important events for the region:

In 1934, Cardenas recognized the isolated farmhands as subjects with agrarian rights. From that date until 1940, eight communal farms were formed; and, from the latter date to 1958, when the agrarian policy backed down in the defense of private property, invasions were triggered in Simojovel and Huitiupan.

Years later, in April 1975, the struggle was resumed, with the seizure of land from the Lazaro Cardenas communal farm, a movement which was brutally driven back by troops on 10 June 1977.

History repeated itself with the successive governors: Manuel Velasco Suarez, Jorge de la Vega Dominguez, Salomon Gonzalez Blanco, Juan Sabines Gutierrez and Absalon Castellanos Dominguez did nothing but respond with violence to the historical claim of the region's Indians, as researcher Perez Castro notes.

On 26 October 1980, in the Los Altos de Chiapas region, there was formed the agricultural workers' union, promoted by the CIOAC. Enrique Lopez Ruiz, a member of the State Committee of the Independent Central Organization of Agricultural Workers and Peasants, recalls that, 7 months later (in May 1981), isolated farmhands from 30 estates declared a work stoppage for an indefinite period of time. The agricultural workers' demands are fundamental ones: an 8-hour work day, minimum wage, social security and the benefits stipulated in the Federal Labor Law.

Luis Lopez Vazquez, secretary general of the CIOAC in Chiapas, claims that there are 10,000 agricultural laborers in the Los Altos de Chiapas region who are subjected to slave labor relations on the cattle and coffee growing estates. He said: "The estate owners in this area get their profits not so much from capital investment, but rather from the over-exploitation of the workers, by means of isolating them"

He added: "Today, livestock is being produced, not tobacco; and coffee and staple crops, with the same types of exploitation as were practiced during the 19th century."

In a tour of several estates, one could obtain the testimony of some of the isolated farmhands, reflecting the exploitation to which they are subjected.

Andres Diaz Lopez, from the El Vergel estate, comments:

"I realized when the boss paid us 5 pesos, but the oldest workers were being paid 25 centavos for all their work, and later 50, and after than a peso, until they were paid as much as 5 pesos. I worked for 16 years, loading lumber, pulp removal machines and corn; harvesting coffee, working on barbed wire fences and hauling rocks. The oldest ones died from this, and the owner didn't even give them medicine. When we were sick, they used to give us a placebo for medicine. And if we asked for money to buy a different remedy,

the boss would tell us that, with the placebo, our account had increased by a large amount, and that we owed him a great deal."

Sebastian Perez Gutierrez, from the El Porvenir estate, recounts:

"I started working at the age of 10, earning 20 centavos and working from 6 to 6. When I was older, I began earning 25 centavos, and the oldest ones earned 50 centavos. When I became a man, the owner paid me a peso for 12 hours' work. I cut pastures, pruned coffee, gleaned corn and hauled rocks. After working so hard, I saw no results. The more I worked, the poorer I was, while the owner became richer. I saw so much suffering in my family that, for this reason I thought up the organization and the struggle that we are carrying out right now."

Meanwhile, after the isolated farmhands organized, filing a labor suit with the Board of Conciliation and Arbitration to request a seizure of all the estates if the owners did not pay the debt owed to their workers, according to law, the estate owners decided to abandon the land and accuse the isolated farmhands of being invaders and communists, denying the worker-employer relationship and in this way justifying the oppression of the organized workers.

During the past 6 years, the government of Juan Sabines Gutierrez has on two occasions refused to register the region's Union of Agricultural Workers. Now, Gen Absalon Castellano Dominguez is not only refusing the registration, "but is heightening his policing policy, devised by the secretary of government, Javier Coello Trejo, against the communities which are demanding their land and labor rights," claim the independent peasant organizations.

2909

CSO: 3248/617

## BRIEFS

BISHOPS CRITICIZE FOREIGN SECTS--Hunger, want, and unemployment are getting worse in the countryside and in the cities, said the Catholic bishops of the Pacific Sur region. They denounced the activities of foreign religious sects in the country which, they said, deceive the people and provoke clashes in rural communities. In a joint communique issued at Easter the bishops of Oaxaca, Mixe, San Cristobal, Tehuantepec, Huautla, and Tuxtepec indicated that with the entry into Mexico of religious sects from the United States, "we are running the risk of seeing the cultural riches of Mexico die." In analyzing the economic situation in their respective areas they pointed out that employment opportunities were diminishing, while in places of work which continue in operation total employment is being reduced, which causes serious problems. In the document, which was signed by Bishops Bartolome Carrasco Briseno, Braulio Sanchez, Jesus Clemente Alba, Samuel Ruiz, and Arturo Lona Reyes, it is stated that, among other things, business establishments "are playing an unjust middleman role involving constant increases in prices." The statement adds that "hunger, unemployment, exploitation, and impoverishment are signs of death. And we believe in a God of the living and not of the dead." The document explains that "some people are using religion as an occasion for humiliating and manipulating the people." It concludes that in the face of this situation the Catholic Church calls for hope and faith. [Text] [Mexico City EXCELSIOR in Spanish 20 Apr 84 pp 1-A, 10-A] 5170

PRESIDENTIAL COMMISSION STUDYING ILV--It is not true that President De la Madrid has ordered the expulsion from Mexico of the Summer Linguistic Institute [ILV]. "There has been no specific decision by the president on the matter. The question has been submitted for a decision by an inter-departmental committee which will include three senators as well as a former director of the National Institute of Indigenous Studies and a distinguished linguist." This was pointed out on 10 April by Antonio Martinez Baez, Hugo B. Margain, and Raul Castellanos, the three senators who are members of this committee, together with Gonzalo Aguirre Beltran and Miguel Leon Portilla, as well as Jorge Carrillo Olea, subsecretary of the government. The senators, who joined in answering questions, stated that they were "immediately available" to study the situation of the ILV and to study "the alternatives which the president might consider on this matter." In answer to a specific question, Senator Margain said that with regard to this institute, many of the things which people say, for example that it is

leftist, are false, and such people are not very well informed," although the ILV has relationships with the Soviet Union at the technical level. Senator Margain emphasized that this institute, which functions in some of the states of Mexico, "has been operating and has been recognized by all of the linguists of the world--of the United Nations and of UNESCO. We have already noted that it has various forms of international recognition for the great progress which it has achieved in the linguistic area." The senator added: "We are not going to prejudge the matter. Senators Castellanos and Baez have told me that they have been subjected to personal attacks which they are not prepared to accept because they have been appointed by the president." Then Senator Castellanos pointed out that the three senators "are neither enemies nor defenders of the Summer Linguistic Institute." Senator Martinez Baez said that the question to be answered is "whether there is some reason to cancel or rescind the agreement which the Mexican Government has made with the ILV and which ends in 1989 and whether there are reasons to consider that the agreement is already canceled." Finally, when he was asked what were the criteria which the interdepartmental committee would use in making its decision regarding the ILV, Senator Margain stated that "the institute was founded 44 years ago, at the time of General Cardenas, who supported the ILV linguists, considering them rural teachers." [Text] [Mexico City EXCELSIOR in Spanish 11 Apr 84 pp 5-A, 13-A] 5170

PPS: PRIEST SUPPORTS PAN--Deputy Alfredo Reyes Contreras, the State of Mexico director of the PPS, on 13 April denounced the report that Manuel Perez Gil, a priest and well-known political activist who favors the PAN [National Action Party], went to Tlalnepantla recently to support that political party in the legislative and municipal elections to be held on 11 November 1984. He said that Perez Gil has openly campaigned in Baja California State in favor of PAN candidates and added that his transfer from Mexicali to Tlalnepantla "was no accident" but rather reflected the efforts of the reactionaries to make progress in the State of Mexico, through the PAN, their political instrument. [Text] [Mexico City UNOMASUNO in Spanish 13 Apr 84 p 4] 5170

INCREASED ISSUANCE OF PASSPORTS--The issuance of passports increased 33 percent during the first 3 months of this year compared with the same period in 1983, according to figures provided by the Secretariat of Foreign Relations. The daily average for the central office in Tlatelolco is 800 passports this week. In addition, it is necessary to count those issued in 11 branch offices, 4 in the city and 7 throughout the country, for which data will be available at the end of the month, reported the SRE [Secretariat of Foreign Relations]. If the trend of the first 3 months continues, the April increase would reach 40 percent, for a total of 25,000 passports. In January the increase was 37.6 percent; in February, 37 percent and in March, 24.5 percent, all compared with equivalent periods in 1983. [Text] [Mexico City EXCELSIOR in Spanish 11 Apr 84 p 27-A] 12351

SOVIET FILM OFFICIAL ARRIVES--Piotr Kostikou, vice minister of cinematography for the Union of Soviet Socialist Republics, arrived in this city yesterday to attend the Soviet cinema exhibit that opens today. He said that this weeklong exhibition of Soviet films is being held to celebrate 60 years of relations between his country and Mexico and that the festival will help expand bilateral relations. Kostikou stated that on this occasion two coproductions will be discussed, one of which will be produced by Sergio Olhovich. The second has not yet been determined. The coproduction of some documentaries is also a possibility. For his part, Jesus Jernandez Torres, director of RTC, said that Mexico will have an "important showing" of our cinema in the International Festival of Tashkent, the capital of Uzbekistan, one of the Central Asian republics that make up the USSR. [Text] [Mexico City UNOMASUNO in Spanish 12 Apr 84 p 17] 12451

CSO: 3248/587



## MIDINRA RAISES PRICES TO STIMULATE PRODUCTION

Managua BARRICADA in Spanish 25 Apr 84 p 10

[Text] Yesterday, new prices for agricultural and livestock products were announced by the minister of agricultural-cattle development and agrarian reform (MIDINRA), Commander of the Revolution Jaime Wheelock.

During a press conference, the minister explained that the announcement of the new prices is being made at a time close to the planting period, as a means of stimulating small, medium and large-scale producers.

The following new prices will be paid to the producer, while any change in the price to the consumer, if there be one, will be decided upon by the Ministry of Domestic Trade (MICOIN): rice, 230 cordobas per quintal sifted, and 474 per quintal yellow; corn, 240 cordobas per quintal (the previous price was 180 cordobas per quintal); and, in the case of corn, Commander Wheelock explained, the production cost of the corn subjected to irrigation technology was taken as a base.

A quintal of beans will command a price of 400 cordobas; sorghum, which was previously priced at 128 cordobas, will have a price of 148 cordobas per quintal; the price of cotton will be 1,400 cordobas; that of sesame seed will be 545 cordobas; and that of coffee will be 1,600 cordobas per quintal; in other words, there has been no change. The price of sugar will be 300 cordobas per quintal; that of meat will be 5,943.93 cordobas for 120-kilogram young cattle; the price of milk will be 7.09 cordobas per liter; that of eggs will be 17.27 cordobas a dozen; and chicken will be priced at 17.44 cordobas a pound.

These new prices were decided upon by the National Production Commission, made up of delegates from the producers' organizations and state agencies; and, in setting them, account was taken of the rise in production costs since 1983, and the increases in wages for agricultural and livestock workers established by the revolutionary state.

Wheelock explained that the purpose of the increments made in the earnings of the agricultural and livestock producer is to provide him with a profit margin that will constitute a new incentive for raising production.

As for the expansion of the area planted with different products for basic consumption and for agroexporting throughout the country, the minister pointed out that "the revolution is planting far more than the Somozists ever planted," having covered the largest area in the nation's history in 1983.

He added that this significant gain occurred despite the serious limitations and difficulties caused by the imperialist aggression, which has necessitated allocating workers and material resources for the armed defense of the national sovereignty.

#### Cotton

In making an evaluation of the last cotton harvest, he reported that, owing to the labor shortage, specifically, of 20,000 cotton cutters, the crop did not attain the anticipated level of 37 quintales per manzana; but rather the traditional level of 33 quintales per manzana was the prevailing figure.

Finally, 5.6 million quintales were gathered, but at costs that caused concern among producers, which prompted a reconsideration of the price paid to the producer.

With all the difficulties, during this season 600,000 more quintales were harvested than in 1983, while the cotton plantations in Oriente had a productivity of 40 quintales per manzana, and those of Chinandega and Leon produced 32 quintales per manzana.

Wheelock went on to say that, this year, "our effort will be aimed at producing more to defend the revolution, to provide food, and so that the country will be in a position of resistance to the war that imperialism is forcing on us."

However, the pressure on the supply will continue; and it will improve for some products and may deteriorate with regard to others.

Nevertheless, it is planned to expand the area for growing staple grains and export products by 7 percent.

2909

CSO: 3248/623

## TIPITAPA SUGAR MILL SAID TO HAVE GREAT ECONOMIC IMPACT

Managua BARRICADA in Spanish 1 May 84 p 7

[Text] At the entrance to the Tipitapa-Malacatoya Sugar Mill construction project, a sign reading "the future is being constructed here today" might well be erected. The sign is non-existent, but hundreds of workers and peasants participating in the endeavor in this traditionally backward and forgotten area are aware of that simple, beautiful truth.

The project, which the Tipitapans and their builders know familiarly as Timal, is one of the revolution's strategic works, one of the pillars of our future development, and one of the goals for which so many Nicaraguans have died, discerning it only in their dreams as builders.

We find the awareness of being leading participants in a strategic endeavor and the commitment that this represents clearly evident in the comments of those operating the cranes, those reinforcing installations on the roof of the enormous industrial bays, those transporting the soil that has been removed or constructing the factory and those planting the cane to supply the sugar mill.

But what do we, the people, the beneficiaries and owners of what will be the largest sugar mill in Central America, know about Timal, the extent of its development, its multiple complex problems and the unique effort of its builders?

BARRICADA intends to provide, with this article, precisely, the largest amount of information possible, so as to provide the people with an account of the gigantic project that Timal constitutes.

#### A Great Revolutionary Project

Timal is a revolutionary project par excellence, not only because of what it represents insofar as technical innovations are concerned, but also because of its new labor and social concept.

Conceived and started for the purpose of converting the raw material with the least possible amount of foreign exchange, seeking to use by-products with the

highest value that will increase our exports, substituting for imports and, in the future, providing raw materials for other national enterprises which are currently procuring them abroad, Timal marks a major shift in our development plans.

With 14,419 hectares of cane planted, and 6,000 planted with eucalyptus and leucaena (fast-growing varieties of lumber), Timal should transform not only the geography of the southern area, but also the very lives of its inhabitants, making their influence felt throughout all of Nicaragua. Unlike the traditional sugar mills, this one will operate, not 6, but 11 months of the year.

During the cane harvest season, sugar and molasses will be produced (and later, by-products of the latter), while at the same time the necessary energy for operating will be generated, using the cane bagasse. Plans call for the generation of 22 megawatts per hour during the harvest time; and, later, during the lumber harvesting, energy amounting to 30 megawatts will be generated.

During the first period, about 3 megawatts will be contributed to the national energy system for 7 months; and, during the second, the number will be 26, an amount close to the energy contribution from the number 1 Momotombo plant.

#### A New Type of Sugar Mill

Apart from the obvious increase in profitability that the operation of the sugar mill nearly all year long represents, Timal will make a considerable contribution to the domestic sugar supply (21.4 percent of the domestic consumption), particularly in the central zone, Managua and nearby departments, with an estimated population of 1.4 million inhabitants.

When it goes into production, it will cut the costs of transporting sugar destined for this area, alleviating the country's economy. To be added to this, in the political realm, is the new concept that the project represents of what a sugar mill should be like.

The workers are aware of what we have mentioned. The atmosphere in the Nicaraguan sugar mills has traditionally been unhealthy, and unwholesome. The workers had to live crowded together, in dwellings unfit for human beings.

This sugar mill, as befits a revolutionary project, is being created with a different concept. MINVAH [Ministry of Housing and Human Settlements] is building a housing center at Tipitapa. Already, 700 of the 2,000 dwellings scheduled have been erected. The workers who will make Timal operate will be living in them.

The one who proudly makes this comment is Raul Vaca, head of the carburetant alcohol project and member of the FSLN.

He adds: "But that is not all. Through MINSA [Ministry of Health], the Tipitapa health center will be expanded and, here at the enterprise, a clinic will

be constructed over 400 square meters, with all the equipment necessary for providing the services offered by any hospital's emergency section, including a small operating room."

Two physicians are already rendering services in Timal. One of them is a Cuban internationalist. There will also be a pharmacy, with basic medicines for treating the workers.

#### The Presence of the FSLN

When we arrived at Timal, we found one of the two FSLN base committees at the project meeting. Their members, 10 comrades from the construction and industrial assembly area, were analyzing the progress of the project, and discussing solutions to the problems, guided by a member of the Vanguard's Number III Regional Committee.

This is another important feature of a project, the strategic nature and size of which have brought about a convergence of the coordinated efforts of the FSLN, whose National Directorate, state cadres, Regional and Zonal Committees, and Base Committees are constantly concerned about the project, with the work done by MIDINRA [Ministry of Agricultural-Cattle Development and Agrarian Reform] and various ministries and institutions, in order to dynamize the activity of over 2,000 construction, industrial and agricultural workers.

During our visit to Timal, we managed to learn about the operation of the two FSLN Base Committees. This enabled us to understand the dimension of the challenges posed for the Sandinists working on the project.

One topic was present on both agendas, as well as at a subsequent meeting of union leaders: The date for the opening of the sugar mill has had to be postponed from November of this year until January 1985. Why? The discussion of the subject and the struggle to ensure that the new goal will be met have been the main focal point of the party, union and administrative effort. It is the problem most discussed at Timal.

Ulises Guerrero, political secretary of the Base Committee in the construction and industrial assembly area, explained the problem to his entity and to Pablo Coca, of the Regional Committee, very accurately: "At present, the lag in the work amounts to 9.65 percent."

He later noted that most of the delay has occurred in the construction work, since the industrial assembly has caused only a 4 percent delay. We returned to the reasons again, and some comrades remarked that the iron coming from Cuba, for example, was delayed as a result of the blockade and the mining of the ports.

The same thing has happened to the equipment coming from European countries.

Some ships prefer to take the cargo to Costa Rican ports, so as to send it by land from there, causing delay. They comment: "That is what has just happened



to the pivots for irrigation coming from Austria. We should have installed 40, and there are only 17."

The FSLN's main tasks at Timal were underscored by the regional leader who was visiting the project: to back and propagandize the production plans, to become thoroughly familiar with the union work plan, to lend full support for its execution, to heighten the workers' vigilance, to promote the workers' political and economic education and to foster their unity.

When it was time to evaluate the party's work, the shortcomings appeared, and the discussion for surmounting them ended when a comrade remarked: "We Sandinists must be an example, the best workers and the best militia members. It would be better for anyone who does not accept this challenge not to be a member of FSLN."

#### Some Figures

Timal will give permanent employment to about 2,500 persons directly, and to some 7,000 indirectly; thereby benefiting approximately 50,000 Nicaraguans. More than 2,000 people are working on the current phase.

To ensure the irrigation of the thousands of hectares planted with cane, lumber and garden product for self-sufficiency as well (80 hectares), a gigantic dam is under construction in Las Canoas, near the highway to Boaco, the building of which, during the present phase, is a source of jobs for about 600 persons.

The cane will be irrigated using the modern pivot system. This system ensures the irrigation of 80 hectares per pivot, attaining levels of great efficiency.

Juan Vallecillo, FSLN's zonal delegate for party services, told BARRICADA: "It has been difficult to find people to work on the cane planting. There are many people in Tipitapa without jobs, but they prefer to work on construction and not planting. We have managed to incorporate 350 workers from Catarina, Niquinohomo, Masaya and other places.

"We propose to cope with the problem using a plan for attraction and, together with the mass organizations, we are continuing this effort, which has been supported by the recent wage regulation for sugar mills, that has increased the agricultural workers' wages, as well as by the working conditions that the workers at Timal have and will continue to have."

#### Five Unions and a Unified Effort

The Base Committees at Timal have as a major work line the struggle for the workers' unity. There are more than sufficient reasons for this, because locals of four national unions are located on the project: SMOFYB, that of masters in construction, inspection and storage; SITOEN, that of industrial assembly workers; Heroes and Martyrs of SOVIPE; and SCAAS, that of carpenters, erectors, masons and those in similar trades.



The agricultural workers at Timal are combined in a union that bears the name of Gaspar Garcia Laviana.

This situation stems from the complexity of the projects during the present phase, requiring the hiring of workers from different branches of industry. The efforts of workers and leaders have resulted in the creation of a Union Coordinating Committee of which 10 leaders are members (two for each union), five of whom are members of FSLN. This unified struggle will culminate in what will be the only union of workers at Timal, once the sugar mill starts operating.

#### Meeting of the Coordinating Committee

Attendance at a meeting of the Union Coordinating Committee enabled BARRICADA to learn some of the problems that have cropped up at Timal, and the workers' main concerns, gleaned from previous rank and file meetings, at assemblies held by locals, which frequently take place as often as twice a week, at lunch time, to report on the progress of the work and to cope with the difficulties.

The agreements reached at that meeting are enlightening: To enact a labor regulation to standardize discipline, but also to give a response to the shortage of trucks, which has resulted in the workers sometimes leaving their jobs 20 minutes or half an hour early because, as one worker remarked, "anyone who doesn't get a head-start is left behind."

Another worker noted that, although it is true that there are some inveterately undisciplined people who leave their jobs before the stipulated time, it is also a fact that there is the objective problem of lack of transportation, which encourages terminating the work day ahead of time.

Moreover, it was commented, and the union leaders had already discovered this, that the dining halls are not supplied to serve all the workers at lunch time. The long lines that form cause many to leave their work 15 minutes early in order to guarantee their meal. The construction of two more dining halls is under way.

There was criticism of the waste of gasoline by some technicians, and complaints about what was described as the "foot-dragging" of others. These points will be brought up at the Production Council meeting, in which the Union Committee coordinator is a participant.

#### Internationalist Backing

"Those comrades have helped us a lot by their work, their example, and the knowledge and experience that they have conveyed to us; because they act in a selfless way, like the internationalists that they are." This remark was made at the beginning of the tour by a worker, commenting on the Cuban comrades.

Later, we would observe some of the many mixed crews of "Nicas" and Cubans. The high qualifications of the latter have turned the joint effort into a

practical training school for our brothers, while at the same time speeding up the assembly of the Timal industrial plant.

Denis Quezada, chief of the Industrial Assembly Division, notes: "In January, we shall have a completed sugar mill, workers qualified to operate it, including the 400 Nicaraguans who have been trained in Cuba and the GDR, and also workers who, after this experience, are capable of carrying out major assemblies on other industrial projects."

#### More Statistics for the Future

The two visits that were paid did not suffice to cover the total importance of Timal; but the urgent need for informing the people of what is being accomplished per se, was pressing. Finally, we obtained these figures:

The facilities for the distillery which, by November 1985, will be processing the molasses to obtain carburetant alcohol, will make it possible to substitute for 20 percent of the daily gasoline consumed in Nicaragua, with an estimated savings of between \$7 and \$8 million per year.

Another encouraging prospect is the project, currently being studied, for implementation within 5 or 7 years, to produce low density polyethylene from molasses, to be used by our enterprises producing plastics and containers, and also PVC for piping.

Miguel Robles, a worker with a tanned face, chief of the MPS [Sandinist People's Militias] at Timal, and member of the FSLN, summarized, in our view, the pride of those heading the construction activity at Timal.

"Other sugar mills have things that we don't have; this is true. For example, they say that the San Antonio even has a caretaker. We have no caretaker here. Here there are pivots, science, work organization and workers' participation. We are different, aren't we?"

2909

CSO: 3248/620

## NEW LABOR CONTRACTS SIGNED IN AGROINDUSTRIES

Managua BARRICADA in Spanish 1 May 84 p 5

[Text] Yesterday, representatives from labor unions, including over 8,000 workers from the tobacco industry, signed a major wage agreement, the result of several months of effort and participation by workers in the discussion of the new wage policy that is being implemented in the country.

All the workers from the industry, pre-industry and agriculture, holding more than 30 different types of jobs, including threaders, cigar selectors, furnace tenders, leaf and color graders, bunchers and other, will receive a substantial increase for their family economy.

The minimum that these comrades had been earning was from 25 to 30 cordobas per day. With the raise, this will increase to 42 cordobas, not counting the social benefits and food.

A few moments before the contract was signed, directors and labor leaders from the Cubanica enterprises, namely Oscar Turcios, and the Agrarian Reform Tobacco Agroindustrial Complex (CATRA), among others, held a meeting with the pertinent authorities.

The Ministries of Labor and Agricultural-Cattle Development (MIDINRA) have signed 12 contracts with the labor leadership, in the economic branches and activities of the following agroindustries: sugar, ginning, banana, poultry (slaughtering and farming), rice dairy industry, hog raising, coffee (agriculture), farm machinery, input products and pesticides.

It is planned this month to sign the contracts in the sectors relating to slaughterhouses, bovine cattle, seed producers and coffee (wet and dry processing).

2909

CSO: 3248/623

## READERS' COLUMN PROFILES OBLIGATIONS OF DRAFT

Managua BARRICADA in Spanish 26 Apr 84 p 7

[Text]The citizens' obligations called for in the Decree Law on SMP [Patriotic Military Service], approved by the JGRN [Junta of the Government of National Reconstruction], caused some problems for Comrade Nasser Ortega, upon his arrival at the Civil Registry of Persons, for the purpose of registering a son of his.

Deeply concerned, young Nasser explained the problem to People's Mailbox: "On arriving at those offices, and to explain the reason for my visit, I was asked for the SMP registration card. They told me that this is a requirement for being able to conduct any business in that department."

Ortega added: "I tried to explain my situation to the comrade who waited on me at the window. Nevertheless, she refused to listen to me, and her answer was she would wait until I brought the SMP card."

When asked about this matter, Comrade Vania Delgado, head of the Civil Registry of Persons in Managua, said that the SMP card is actually being demanded of every youth between the ages of 17 and 25 who comes to that state agency to do any business.

Comrade Delgado remarked: "In the case of Nasser Ortega or anyone else, if this is not the case, they will be unable to register their children or to take any type of document issued by the registry."

In Compliance With the SMP Law

As we were informed, the foregoing measure relates to compliance with the SMP Law, which requires the registration of all youths "from the first (1st) of January in which they reach the age of 17, until the thirty-first (31st) of December of the year in which they reach the age of 25."

Similarly, Article 31 of Chapter VI stipulates: "The heads of agencies, enterprises, and work and study centers, both state-run and private, must require of every Nicaraguan citizen under obligation to register...the documents attesting to his registration for military service and the fulfillment of his military obligations, reporting to the pertinent Military Delegation any violations, if there be any."

#### Fortunate Solution in Nasser's Case

The case of Comrade Nasswer had a happy ending, because Nasser is an active member of the EPS [Sandinist People's Army].

When not permitted to conduct his business by the Civil Registry of Persons because he did not have his SMP registration card, he was instructed to go to SMP's Ninth Zonal Agency, where the head of the delegation issued him a memo noting that he had no card because he is in active military service.

So, the worried young man was able to register his little son, and requested that an explanation of this situation be given, through our medium, to the youths who may find themselves in the same predicament.

People's Mailbox has accepted this request from Comrade Ortega and, at the same time, is alerting others to the problems that they may have owing to the lack of their SMP registration card.

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CSO: 3248/623

## ANAPS REPORTS ON EUROPEAN, ASIAN TOUR

Managua EL NUEVO DIARIO in Spanish 27 Apr 84 p 4

[Text] "On our almost 2-month tour of certain socialist countries in Europe and Asia we learned that people are quite aware of Nicaragua's problems and show great solidarity with our cause," said Socorro Galan, the secretary general of the Nicaraguan Association of Friendship with Socialist Countries (ANAPS).

She added that the 10 socialist countries that they visited (including Cuba) are commemorating the 50th anniversary of Sandino's assassination and are engaged in preparations to celebrate the 5th anniversary of the Sandinist People's Revolution "with great respect and enthusiasm "

## New Agreement with the USSR

Socorro Galan explained that during her stay in the Soviet Union she realized that the Russian people and government had put together a great network of solidarity for Nicaragua's benefit not only in the socialist countries but throughout Europe as well

"As proof of the deep-seated friendship between our peoples, our organization signed a new agreement with the USSR," she noted.

She also mentioned that ANAPS received donations of several pieces of audiovisual equipment, a photographic laboratory and air conditioners

## Other Agreements and Donations

The secretary general reported that cooperation agreements were concluded with Czechoslovakia, Hungary and Cuba, adding that even though ANAPS had previously signed a 2½-year pact with Cuba, it took advantage of its visit there to enter into another.

Socorro Galan pointed out that on the occasion of the fifth anniversary of the Sandinist People's Revolution, 50 Cuban artists would be visiting Nicaragua and in conjunction with Nicaraguan artists would put on shows in Managua and other departments.



She commented that in Vietnam the group was aware of the new armed aggression by the Chinese in complicity with imperialism. In spite of this situation, the Vietnamese donated to Nicaragua 10,000 units of liniment for our combatants.

#### Other Countries Visited

The tour also included visits to Poland, the GDR, Bulgaria, Korea and Mongolia.

Both the peoples and the governments of these countries are aware of the aggressions that our peoples' common enemy, imperialism, is carrying out against Nicaragua, and all of them outspokenly condemn the crimes being committed against Nicaraguans.

#### Handicrafts Bazaars

In conclusion, Socorro Galan mentioned that the socialist countries will be sending handicrafts to Nicaragua this year to help the Sandinist People's Revolution financially. They will be exhibited at strategically located bazaars for sale to both Nicaraguans and foreigners.

8743

CSO: 3248/622

## NEW SYSTEM REGISTERS OVER 2,000 NEW VOTERS IN APRIL

Basseterre THE DEMOCRAT in English 28 Apr 84 pp 1, 2

[Text] THANKS to the cooperation of the general public, and the keen sense of responsibility in which the Registration Officers undertook their task, over 2,000 new Voters have been registered for the month of April so far. THE DEMOCRAT wishes to show the appreciation of our fellow citizens for the selfless dedication of these Officials despite the pressures that they have been subjected to. Persons have been able to maintain a certain amount of decorum in the registration process and every care has been taken to ensure that qualified persons are being given the opportunity to register. At the same time, care has been taken not to mischievously deny persons their fundamental civic right to vote for a Government of action and compassion.

The new system has proved that there is a crucial difference between the present Government and the Labour Party, and it is this: The present Government is seeking to give expression to the will of the people by encouraging and facilitating the registration of all qualified voters, whereas Labour is still concerned with OBJECTING TO THE NAMES OF REGISTERED VOTERS. They want to be able to say that they had a majority of the votes in 1980, but now that the PAM/NRP Government has ensured that all persons who are qualified by law are able to vote, Labour is panicking. They are afraid of the people of this country. Over 300 objections were made by Labour in Central Basseterre alone, most of them designed to see how many people could be denied the right to vote.

One young lady who has been going to work every day at a big store in down town Basseterre was objected to by some Labour person living in the same street as her, just three houses away, on the ground that this young lady has gone away.

The registration officials have obviously been flexible in terms of complaints concerning the frivolousness of objections to registered voters, but THE DEMOCRAT wishes to point out that it is a criminal offence punishable on summary conviction for any person to object to the inclusion of any other person in any voters list upon any ground which he knows or has reasonable cause to believe to be false. The penalty for this offence is a fine of \$500 or imprisonment for six months OR BOTH FINE AND IMPRISONMENT.

The fairness of this new system is exemplary and outstanding, there are ample opportunities for scrutiny of the lists, and there is full cooperation by the Registration Officers. So why is the Labour Party so afraid of having to face the people, all the people, who are qualified to vote in this country???

REMEMBER, MONDAY 20TH APRIL IS YOUR LAST CHANCE TO GET YOUR NAME ON THE APRIL LIST OF VOTERS. TAKE ADVANTAGE OF THIS NEW SYSTEM AND GET YOUR NAME INCLUDED IN THE LIST!!!

CSO: 3298/803

## BRIEFS

EFFECTS OF DROUGHT--BASSETERRE, April 26 (CANA)--Vegetable production in St. Kitts and Nevis is suffering as the twin-island state remains in the grip of a dry spell, agriculture officials have reported. "A number of farmers have forecast a drop in the yield of carrots and other perishable vegetables as the anticipated spring rains have not materialised," chief agricultural officer, Ken Martin, said. The meteorological office here blamed the situation on low rainfall during the latter part of 1983, "along with the absence of hurricanes last year." Met office officials said, however, that the rainfall for the first three months of this year was heavier than that recorded in the first quarter of 1983. They gave the following statistics on rainfall for the first three months of 1984: January--2.89 inches: February--2.83, and March--1.34 inches, totalling 7.06 inches, with an average of 2.35 inches. During the same period in 1983 an average of .94 inches was recorded. The 1982 average was 2.87 inches, and the previous year 1.79 inches. The government has threatened to take drastic action against water misuse, and has banned the watering of lawns and washing of vehicles with pipe-borne water. [Text] [Kingston THE DAILY GLEANER in English 27 Apr 84 p 7]

CSO: 3298/803

## DERBY CRITICIZES ECONOMIC POLICY, SUPPLY SHORTAGES

Paramaribo DE WARE TIJD in Dutch 26 Apr 84 p 12

[Article: "Union Not Dissatisfied With Cooperation"]

[Text] Even though the cooperation between the Union and the two other partners in the government "is not one hundred percent," the unions are not dissatisfied. This is what appeared from statements made by Moederbond Chairman Fred van Russel during a union meeting of the four unions with their supporters Tuesday afternoon in the ABO building.

## Resignation

Van Russel contended that it had been decided that a summit council would be set up of which the prime minister would be a member. Because of recent developments this has not yet been put into effect. Further, he noted that the day the Union would notice that the cooperation is no longer sincere, it would resign.

The unions still have some matters on their hands which lie heavily on the stomach but meanwhile talks have been held with the other partners. In this connection the Moederbond chairman mentioned last week's demonstration which got out of hand and which, by the way, also bothered the government.

## Lawlessness

C-47 Chairman Fred Derby criticized the fact that the state radio had incited people in the demonstration to "anarchy and lawlessness." It is impossible that people close factories on their own and withdraw students from school assessments.

Derby criticized the fact that many industries and businesses were closed while "only 1500 people demonstrated." He pointed to the production loss "while this country needs increased production and productivity so much."

## Invasion

The C-47 chairman called it a good thing that laborers and students take to the streets to demonstrate against a planned invasion.

"They strengthen the integrity of this country by way of their demonstration", but "the demonstration should take place in an orderly manner." The speaker asked his audience to take into account the fact that the mercenary issue is no joke. "No better proof of the fact that they were messing with our country, can be given."

#### Appraisal

Derby criticized the way in which the economic policy is pursued. He reminded of the fact that 3 to 4 weeks ago the Union had been told that permits to import goods would be given but that payment would be limited to letters of credit. Under no circumstances would luxury articles be imported but the supply of primary needs would be guaranteed. Now we are told that there is no salt, flour and oil, and then I wonder what is happening. Did the Ministry not appraise the situation properly or is trade and industry at fault which started to hoard?

SLM [as published]

Derby made much of the fact that the bread supply had become insufficient and he assured that "you can forget about everything if you do not give these people bread." He concluded this subject: "Even if we have to sell all this country's gold, there will be bread on the table." The union leader also criticized the way in which the Council of Commissioners under the leadership of John Leckie has been discharged. He wondered whether it was a matter of small differences of opinion between Derby and Leckie or Fong Poen and Leckie or whether it is a matter of greater concern to this country.

12433

CSO: 3214/43



## BRIEFS

BAKING POWDER FACTORY OPENS--This morning, after about half a year of experimenting, the factory for self-rising baking powder and baking powder was officially opened in Bethesda. Minister Imro Fong Poen of THI [Transport, Trade and Industry] was invited to do the official honors. Content. The official name of the plant is "Commercial and Industrial Company Sunpower D. Coats & Bros." President and manager is Dudley Coats; in an interview with DE WARE TIJD he indicated that he was satisfied with the sales picture. He makes baking powder and self-rising or ready to be used flour to be marketed under two names: "Sunpower" and "Sunflower." Dudley stated: "We are doing this because our products are sold by two distributors." Capacity. The enterprise can take care of our country's entire demand. Dudley is therefore happy with the government's decision taken some time ago to establish a complete import ban on products similar to the ones he is making. But the government's cooperation went even further. Index praised the project and helped it along and the National Development Bank gave financial assistance. Job Opportunity. This initiative created of course some jobs. In addition to the president and manager the industry employs 17 persons. In addition to the above-mentioned products they also make super fine rice flour and icing sugar or powdered sugar for cakes. [Text] [Paramaribo DE WARE TIJD in Dutch 18 Apr 84 pp 1, 12] 10319

BOUTERSE VISITS WITH MILITARY--Wednesday morning the commander of the National Army Lt. Col. Desi Bouterse inspected the Military Police and the Echo Company in Fort Zeelandia. The Commander was accompanied by Lt. Stolk. The Leader of the Revolution is establishing closer contacts with special units of the National Army; this inspection must be seen as a part of this effort. In his speech Lt. Col. Desi Bouterse explained the role of the Military Police in the revolutionary process. In conclusion he thanked the leaders of the Military Police for what they have so far achieved, and he re-emphasized the fact that unity is indispensable for a continued revolutionary process. [Text] [Paramaribo DE WARE TIJD in Dutch 12 Apr 84 p 1] 10319

GRANT FOR BOAT CONSTRUCTION--On Monday 9 April Imro Fong Poen, minister of agriculture, cattle breeding, fisheries, and forestry, received Hi Chul Moon, ambassador of the Republic of Korea, in his office at the ministry. The purpose of this visit was the presentation, on behalf of the Korean government, of a gift of US \$150,000. Reinforcing Bond of Friendship. In his speech Ambassador Hi Chul brought back to mind that the tie between the two countries go back to 1952 when Surinamers went to Korea to fight alongside

the Korean people for freedom and peace. The bonds of friendship grew stronger and since 1969 Korean fishermen are allowed to fish in Surinamese waters. He hopes therefore that this gift raised by the Korean Fish Cooperatives will contribute to the development of the fishing industry in Suriname and create even stronger bonds between the two countries. Own Boat Building Industry. On behalf of the Surinamese government and the Ministry of LVV & B [Agriculture, Cattle Breeding, Fisheries and Forestry] in particular, Minister Fong Poen warmly thanked the ambassador and assured him that this sum will be used in close cooperation with the Korean experts for the boat building program, namely the construction of the open and closed Guyana type boats. This type of vessel is made and used in Guyana. The boat building program intends to stimulate the construction of these vessels in Suriname which could lead to modernization and expansion of the existing fleet. The government leader said: "I am convinced that this gesture of the Korean government strengthens the friendship and technical cooperation and that it will also be an encouragement for our fishermen to increase their catches and to build their own boats in the future. [Text] [Paramaribo DE WARE TIJD in Dutch 11 Apr 84 p 1] 10319

FISH, SHRIMP EXPORT FIGURES--The vast majority of fish and shrimp exported by Suriname comes from deep-sea and coastal fisheries. In 1983 about 350 vessels were employed in the deep-sea zone and the coastal waters. This year about 3 million kilograms of shrimp valued at about 75 million Surinamese guilders were exported. This year the production of fish amounted to more than 2.5 million kilograms valued at about 9 million Surinamese guilders. Activities Promoting Fisheries. The Ministry of Agriculture, Cattle Breeding, Fisheries and Forestry is developing all kinds of activities to stimulate the fishing industry in our country. In this respect we mention among other activities, the boat building program in cooperation with Korea, the Boskamp Fishery Project, new fish products for exportation in cooperation with Japan, and the construction of mooring-posts near the Central Market in Paramaribo. [Excerpts] [Paramaribo DE WARE TIJD in Dutch 19 Apr 84 p 6] 10319

CSO: 3214/39

## AD'S GROWING POWER VIEWED AS THREAT TO DEMOCRACY

Caracas BOHEMIA in Spanish 16-22 Apr 84 p 24

[Article by Sanin: "The Steam Roller"]

[Text] There is a great deal of talk about absolute power and the steam roller these days. It is unfortunate that a government headed by Jaime Lusinchi should succumb to excesses that may be mistaken for the exercise of absolutism. The president may have some shortcomings, like every human being, but I don't think that he is or is trying to be a dictator in power.

But the steam roller does exist in Congress, and it is so real and obvious that FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry], which is one of the partners in the social pact, is afraid that it will be over-run by the steam roller. I remember in 1947 (when AD [Democratic Action] arrived in the government for the first time, thanks to a military coup), there was a steam roller in the National Constituent Assembly; and in the Congress of 1948, when Gallegos was president, the steam roller also operated, disregarding the rights of the opposition. And, unfortunately, the steam roller was dismantled and eliminated by another military coup.

The totalitarian temptation, which has been exposed in an amazing book by the author Jean Francois Revel, is one of the evils of representative democracy, even in the very Gallic nation (cradle of liberty) in which Mitterrand, while in the opposition, accused Gen Charles de Gaulle of "constant coups d'etat."

I find it hard to believe that Lusinchi is an autocrat in power, but his party colleagues are doing everything possible to make him appear as one of those strong men ridiculed by Ramon Maria del Valle Inclan, in his renowned novel, "Tyrant Banderas."

Lusinchi came to power amid an avalanche of popular votes, and since he addressed Congress as president, he has been considered a "poor, lonely, powerful man." Perhaps because of this unashamed admission, his AD party seems bent on giving him company, through the control of other authorities, such as the Court, the Treasury, the Controller's Office, the Council of the Judicature, the Municipal Councils and the Courts of Protection. Since the

time of General Gomez, no president has had so much authority; and, on top of that, they are trying to give him more powers through a euphemism called the "Qualifying Law."

I view the country's situation or the national prospects with great fear, not because of Lusinchi, but rather because of what Ortega y Gasset observed regarding "the man and his surroundings." Lusinchi's surroundings are becoming increasingly a presumptuous, closed circle, which is threatening to stifle Venezuela and its 15 million inhabitants. The totalitarian temptation is obvious when one notes that the Executive Branch, the Legislative Branch, the Judicial Branch, the Public Ministry, the Controller's Office, the trade unions, the regional assemblies, the municipal councils, the news media (for the most part) and a considerable number of parties which have exchanged their causes for embassies and other bureaucratic gains, are on the government's side. Lusinchi is powerful now, but not lonely; because he is well accompanied....

The steam roller is a dangerous machine, because it can turn around and crush the one using it. Remember what happened in Venezuela on 24 November 1948, and we would reject in advance any attempt to retrieve the steam roller for evil, although I fear that it will never be used for good. In politics, as Friedrich Nietzsche said in his soliloquies on Turin, one must take a stand beyond good and evil, to prevent the action of the real demons of destruction.

A democratic steam roller or a machinery with populist purposes is perhaps another entelechy, filled with risks, like the unleashed dictatorship itself, owing to the moral evils that are entailed and involved in the abusive exercise of power, however legitimate its electoral origin may be. AD may perhaps be caught in conceptual dilemmas comprising a dreadful political predicament that nearly reaches the bounds of the unconstitutional. In the case of Venezuela, and a Venezuelan party, great care must be taken, because we know how and when such things start, but we never know the results in advance. To put it in the vernacular, I think that Lusinchi and AD are playing with fire on the native soil of Carujo and Perez Jimenez. Why not recall Romulo, who knew so much, and who corrected in 1959 the serious mistakes made in 1945? Or is Lusinchi today closer to the populist madness of Carlos Andres than to the strategic wisdom of that great political leader named Betancourt?

2909

CSO: 3348/428

## ANDRES PEREZ DISCUSSES ECONOMY, SOCIAL PACT, OTHER ISSUES

Caracas NUMERO in Spanish 6 May 84 pp 11-13

[Interview with former President Carlos Andres Perez; date and location not specified]

[Text] One of the most influential figures in Venezuela claims that, in these difficult times, no one has the openness, based on sufficient judgment, to prevent opposing views from becoming another troublesome factor for the country. What is to be done in this situation?

Former President Carlos Andres Perez, a many-faceted man, fond of making statements on the most controversial and polemical issues associated with the national and international reality has much to say about what is happening in the country at present.

At a time when the implementation of the economic measures adopted by the government has started evoking comment of various types, because nearly everyone feels affected by them, Carlos Andres Perez has globalized the situation, claiming that there is no predisposition toward overt, candid discussion.

His assertion that "we are witnessing a dialog among the deaf" clearly exemplifies the view of the ex-president, who does not hesitate to place the blame for this collective omission in the search for harmonious solutions.

According to CAP, the crisis being experienced by Venezuela has historic features, and hence it has become essential to shift the present course of action, to avoid more unfortunate consequences in the future.

Carlos Andres Perez' main ideological notions are presented below, following a lengthy interview held by NUMERO.

[Question] What additional measures should be adopted?

[Answer] We are undergoing a situation that is extremely serious for the national economy. I am not saying that we are at a dead end, but rather that the country must assume a full awareness of what is going on; and the government, in turn, must find a way of offering responses for coping with the crisis



and achieving reactivation. Thus far, the government has been dealing with the most urgent problems: the refinancing of the foreign debt, and the internal debt (the fundamental cause of the economy's stagnation). I believe that, up until now, the government has acted on the basis of those priorities.

The qualifying law will give the government the capacity for adopting a group of additional measures, besides those already adopted; and that has been clearly stated, both in the explanation of reasons and in President Lusinchi's message itself, to Congress. This is a process with a rather long duration. We cannot expect it to be possible, during 1984, to reactivate the economy and to have Venezuela resume its development process. We shall have many difficulties along the way and it will be necessary to continue adopting measures all year long.

[Question] With regard to the Law on Costs, Prices and Wages, prominent businessmen have claimed that it would, in fact, replace the Ministry of Development and, in part, the Ministry of Labor.

[Answer] I think that we are faced here with one of those situations which are so common in the political existence of people whose lives have been very carefully watered down, like a dialog among the deaf, in which each person hears only what he himself is saying. We are faced with an ambiguous situation of that kind. No one, absolutely no one can be unaware of the fact that it is essential, in a crisis such as the one Venezuela is experiencing, to establish a harmonious relationship between costs, prices and wages. This could be the ABC of the economy in any socioeconomic organization in the world.

An attempt is being made here to bring three parties into agreement: the state, the business owners and the workers; to reach an agreement on a relationship that would make it possible to determine the fairness of wages and prices. I would say that, instead of arguing, on the one side saying that the law will go, because it has to go, and on the other, that the law is not accepted because it should not be accepted, a study commission should be created, in which the sectors involved would participate, not to continue arguing whether or not the law will go, but rather which should be the institutional regulations contained in the terms of the law.

[Question] Influential members of your party cite the unwillingness of business owners to go along with this bill.

[Answer] It seems to me both unwise and unhealthy for business owners, from the standpoint of the agreement that they always proclaim as being essential, to radically oppose a law which, in itself, can only be feasible and which lies in the very essence of what the Constitution says should be the relations between the labor, business-owning and consumer sectors that are, after all, the ones defended by a democratic state. The business owner should accept the feasibility of this law, and discuss the terms.

I consider this important, because to refuse the law is absurd; and attempting to impose a law without taking the parties and interests affected into account would be as absurd as the former action.



[Question] Do you agree that the social pact can be manifested in a practical way only through the Law on Costs, Prices and Wages?

[Answer] A social pact is impossible if one of the parties to that major national accord attempts to impose its conditions or viewpoints. Opinions must be reconciled and some system for balance among them must be arrived at. And if there is a desire to lend security to that understanding, the feasible, beneficial thing is a law; because that is what makes it possible to establish in a safe, stable, precise and unequivocal manner what the terms of the understanding are. It seems to me that the discussion has been poorly focused, and with that method no satisfactory solution can be reached. The business owners are afraid that this law may become a kind of trap, limiting their activity. The workers mistrust the regulations that the business owners will attempt to apply to justify prices and wages. On the other hand, the state, in turn, must consider the fact that, in order to act on the basis of the social pact concept proposed by President Lusinchi, an understanding must be sought between the labor and business owning sectors. So, from all this understanding that I propose for the discussion of the law one can observe that the law is not unfeasible. What could prove unfeasible are the terms of the law. The only way of reaching, not only understanding, but a guarantee of that understanding as well, is through the law.

[Question] For that balance, wouldn't it also be feasible to promote a tax reform?

[Answer] I think that tax reform is essential, and that it will become even more necessary now, because the circumstances of the national economy are changing very radically. But, at the same time, I think that tax reform should not be rushed, because there are many matters to be considered. Moreover, to establish a tax reform during a recessive period for the economy could be a negative influence and the benefits sought might not be achieved. I think that planning should be started for a tax reform, but the most suitable occasion for submitting it to Congress must be sought.

[Question] Some differences have shown up between the official party and the government. There are different viewpoints that could hurt the government's action.

[Answer] I would not call them differences. I don't believe that there are any now, nor were there any during my government. Of course, the flowing nature of a relationship between a many-class political party and the government forces them to have a constant exchange of views. What happens is the frequent publications and speculation in the news media: They magnify situations that are not problematical, but rather part of the very dynamics of the debate and discussion within the government party and of the relations between the party and the government.

[Question] In the oil area, the statements made by authorized leaders of Democratic Action [AD] have caused surprise within the industry: the statements

made by Celestino Armas regarding the feasibility of the contract with Veba Oel [Veba Oil], and those made by Armando Sanchez, strongly criticizing the industry's high-ranking directors. Won't this deteriorate the relations with the oil sector?

[Answer] I believe that the oil industry should be run by the politicians and the national executive branch with careful consideration and circumspection, but without going so far as to try to make the oil industry a state within the state, but rather part of a national economic system and of the fundamental assets of the Venezuelan people. We must be careful of what we say. As for the problem with Veba Oel, there is no one in AD who does not realize the feasibility of agreements of this kind. Furthermore, these negotiations with Venezuela stem from the very decisions that were made just after the oil industry had been nationalized, to establish state-to-state relations with countries which had technology and to seek a way of coordinating our activity, in order to obtain technology with the state oil companies. The Veba Oel deal virtually came into existence in the government which I headed. What has been criticized by AD leaders is the way in which these negotiations were conducted; because they should have been governed by Article 5 of the law that nationalized oil, and not as was done, like an administrative operation of the oil company with the mere permission of the national government, through the Ministry of Energy and Mines. That is the essence of the debate. Now, other unknown factors have arisen: whether this contract really befits the best national interests or whether these interests were in some way disregarded. But this is the direct result of having proceeded almost secretly to make an agreement that should have been made known previously by Congress. That should serve us as experience for the future: not to make mistakes like that.

As for the statements which could in some way hurt the reliability or image of the country, or which might seem unthinking, we should be very careful, primarily because they are unfair.

The nationalized oil company has shown efficiency and ability. Instead of discrediting this fact which is so important in a country with so many shortcomings in the administrative area, we should encourage the efforts being made; but it can by no means be claimed that words, more or less, or hasty judgments that may have been expressed at a particular time by some political leader could represent a confrontation between the oil company and the government party.

[Question] You raised a small storm before the elections, talking about the doctrinal crisis within AD, and you went so far as to ask whether it could still be called a Social Democratic party. Has being in the government made the contradictions even more acute?

[Answer] I have never questioned the ideological orientation of Democratic Action. What I did say is that we should become aware of the fact that Venezuela is undergoing a structural crisis that I have called historic, and that this crisis is affecting all of the country's institutions, including

the political parties. I have also said that we, in the political parties, have been the actors in very deepseated changes in Venezuelan society during these past 25 years; and that perhaps we have been left by the wayside in those very changes that have been the result of our own activity. And this has created a crisis situation in the political parties, from which Democratic Action cannot be dissociated. Hence it is essential for us to devote ourselves to a reflection on the existence of our parties and their projection into the future. I have become increasingly convinced that, in all areas of national life, we must consider the fact that we are experiencing a historic crisis, and it is essential for us to deal with it gaging the consequences that not dealing with this circumstance would mean in the future. When I talk about crisis, I am not talking about catastrophe. The crisis entails the possibility of shifting the course. Crisis is a time of creation, not confusion. This is the great challenge that we Venezuelans of today have, in the place where we are acting. Some measures have now been adopted to alleviate the results of the crisis, but not to solve the crisis per se. These current measures and this stabilization of the national economy, to begin developing again, must be followed by deepseated structural measures, which must determine what we might call the new political design for a new Venezuela.

We must review many things, including the plans that were devised as goals of Venezuelan development, to gear them to this new reality. And we must also review our own institutions; for we are the ones who are giving life to the country and making its desires a reality. We must review ourselves, so as to play the role that is really incumbent on us.

[Question] You defended very enthusiastically Venezuela's participation in the loan to Argentina. Nevertheless, the press in the United States has described this position as covert aid to the creditor banks. Is this a sign of Venezuela's attitude toward its own creditors and toward the IMF?

[Answer] I believe that the first consideration that we should make regarding this collective aid to Argentina is that we who have stated that this problem of the public debt of our countries cannot be individualized, but is, rather, a problem which is collectively affecting Latin America and which we must seek a solution for collectively, are not mistaken; with the understanding that solidarity is the essential factor for achieving solutions that will protect the essential interests of the Latin American nations. This is the first consideration that we should make regarding this matter. That is why I responded so vehemently when I read that a spokesman for a party as important as COPEI [Social Christian Party] in Venezuela had described this with levity, attempting to exploit a parochial egotism, as a Latin Americanist nationalism, lacking in vision. I believe that Venezuela did very well by joining Mexico, Brazil and Colombia in granting this aid.

Now then, if we view it from a different perspective, there is no doubt that this, while simultaneously preventing a serious crisis for Argentina, also prevented a serious crisis for the international financial system. But that is relative. What we ourselves must observe is the former but, at the same time, we must make the others, the financial world, realize the extent to

which their position is weak. The Argentine crisis has managed to reveal the entire disaster of the world's financial situation. This should even lead us to other subsequent ones, such as having us countries who aided Argentina meet with Argentina to tell the international financial system that it has now been made evident that our countries are not in a position to meet the requirements of the foreign debt under the terms that they are attempting to set for us, and to propose to them a context of conditions for the negotiations. Hence, what has been done was positive, but if we remain there we have not accomplished anything; rather, it would appear that we are helping to solve the problems of the international financial community for it.

[Question] Are you continuing your opposition to having the IMF participate in the debt negotiations?

[Answer] I would say that these are generalizations that cannot be reached.

I think that there is no longer a national economy, and that if there is anything interdependent in the world, it is the national economies. From that standpoint, I believe that there should be an international economic system such as the one that the IMF has attempted to be; but that system was created by the winning nations in World War II to maintain their hegemony over the world. This system has been broken completely, and liquidated, with the new world reality. A new international economic system should come into existence. It is what we have called the "new international economic order." The IMF is the leader of a system of economic totalitarianism that has been exploiting and growing at the expense of the developing countries. This is my position toward the IMF that I have gone so far as to call the other bomb which only kills people; it does not kill with chemical explosions, but rather with hunger. That is why I have been a fulltime critic of the IMF.

There is no doubt that, when the Fund examines our economic situations, it states many truths. We cannot deny that. But who are those responsible for those truths? Can the IMF perchance impose conditions on one of our countries forcing it to pay a debt if, at the same time, it does not impose conditions on the creditor countries which have protectionist controls, which manipulate the prices of our raw materials or which prevent the trading of our manufactures? The Fund does not heed the fundamental demands based on national interests of each of the Latin American nations. A few days ago, in the American magazine NEW REPUBLIC, two reporters wrote a fictional article: The IMF was applying to the United States the measures that it is advising for our countries, for the huge budget deficit that the U.S. has; and the conclusion was that a tremendous, anarchical revolution would take control of the country, the democratic state would disappear and the Communists would seize the government.

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